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Daily Report

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Cuba

Asylum Seekers, Cubans To Return From Panama

FL0301004790 Havana Radio Rebelde Network
in Spanish 0019 GMT 3 Jan 90

[Report by Nelson Notario Castro in Panama City; from the "Exclusivo" program—live]

[Excerpt] Good evening, Cuba! Good evening, Daniel Torres [host of "Exclusivo" program]! Good evening, friends of Radio Rebelde's "Exclusivo" program. I send you warm greetings from Panama.

I have some important topics, Daniel, in reference to the residence of Comrade Lazaro Mora, Cuban ambassador to Panama, and in reference to the embassy, our diplomatic mission, here in Panama. As you know, both diplomatic sites have been surrounded by U.S. troops for several days. It has been about 9 or 10 days.

First I want to say, Daniel, that all the appropriate efforts are being made—the procedures are essential and very complex—to return the family members of the Cuban diplomatic officials in Panama, especially the children, to Cuba on 4 January. This is certainly very good news for many people in Cuba. The children have been in great danger in the residence of the Cuban ambassador because the U.S. troops at one point threatened to raid the residence.

A few women and other comrades who were in transit here will also return to Cuba this Thursday. The U.S. invasion of Panama surprised them in transit through this country. They were coming from Cuba en route to another country or were returning to Cuba with a stop-over in Panama.

A few people seeking political asylum will also return to Cuba Thursday afternoon. These people are now in the Cuban diplomatic installations seeking political asylum. [passage omitted]

Castro Sends Message to Diplomats in Panama

FL0201125090 Havana Tele-Rebelde Network
in Spanish 1200 GMT 2 Jan 90

[Text] PRENSA LATINA reports from the isthmian country that our commander in chief has sent a message of acknowledgement to the Cuba diplomatic mission in Panama on the occasion of the 31st anniversary of the triumph of the revolution. In the letter, Fidel Castro highlighted the exemplary stance maintained by the group of Cubans in Panama during the U.S. troops' siege of the Cuban diplomatic missions. He noted the firmness maintained by the Cuban representatives during the provocations of U.S. soldiers, who brutally attacked the Panamanian people.

The chief of the revolution repudiated the hostile attitude of the invading units toward diplomatic missions and officials accredited to Panama, including the Apostolic Nunciature.

For their part, Cuban representatives to Panama sent a message to Fidel expressing their disposition to fulfill their responsibilities no matter what the consequences may be.

Vice Minister Views UN Resolution on Panama

FL2912170589 Havana Television Service
in Spanish 0100 GMT 28 Dec 89

[Text] In Havana this afternoon, Cuban Vice Foreign Minister Raul Roa Kouri gave his opinion of the document that will be presented tomorrow to the UN General Assembly that will analyze the case of Panama.

[Begin Roa Kouri recording] First of all, the member countries of the United Nations are now discussing a draft resolution, which we feel will have to condemn the U.S. invasion of Panama because it violates international law, the UN Charter, et cetera. I think that this assembly meeting is being held, as you know, at a time when many members of the United Nations are not present because of the year-end festivities, et cetera. However, I think that those who are there and those who will arrive tomorrow will be severe in judging this new U.S. violation of the sovereignty and independence of a country of our America. I think that the draft resolution, which, as I said earlier, is being negotiated—the text has not yet been finalized—will be, has to be, a text that condemns, that deplores, that condemns, but in any case, it will be against this violation of international law. [end recording]

Commentary Asks People To Trust Revolution

FL0201195990 Havana Radio Rebelde Network
in Spanish 1800 GMT 2 Jan 90

[Station commentary]

[Text] Everything cannot always be explained publicly. Fidel told us this during his meeting with party leaders a few days ago. This is an idea that should never abandon us. It constitutes one of the best armors against those who, intentionally or not, always attempt to sow distrust and discouragement everywhere they go.

Nobody knows better than the people that the revolution has never adopted and never will adopt half measures. This has been a norm and principle of its style since its first days.

However, one must reiterate the idea. Everything cannot always be explained publicly. Politics is a science, but it is also an art. So, what matters is to deepen even more the trust in the revolution, the party, its leading cadres, and the never ending ability of the people to face successfully any of the circumstances the future may bring.

Charlatany is another world. In that bag fall those who have never praised any work of the revolution—the gifted and stubborn ones, dishonest individuals, the ones who believe they are the critical consciousness of society, alarmists, nonbelievers, and nostalgic ones. In sum, the ones who have always been divorced of the true efforts made by the people but have always been crushed by facts.

Castro Salutes People on Revolution Anniversary

FL0101201490 Havana Tele-Rebelde Network
in Spanish 1458 GMT 1 Jan 90

["Message" to the people by President Fidel Castro on the occasion of the anniversary of the triumph of the Cuban revolution during an interview with unidentified reporter; date and place not given—recorded]

[Text] [Reporter] The year 1989 was a somewhat complex year in the international and national areas. We had some economic difficulties but we had many economic achievements. We could say 1989 was a year of consolidation, a launching year.

[Castro] It was a year of extraordinary force. We already have 35,000 men in contingents. They are performing true labor feats. We have tens and tens of thousands of construction workers who are inspired by that example. We are carrying out.... [changes thought] Thanks to the effort of all the people, of course. Nothing is possible here without the people.

We are carrying out very important programs and we are conducting them at a fast pace. You have the example here that we completed the polyclinics program in the capital. Tomorrow, we will complete the special education schools program. The child care center program was fulfilled earlier. Yesterday, we inaugurated five construction materials industries. In previous days, we inaugurated other things, we presented banners to contingents.

This is a symbol of the spirit with which work has been done everywhere this year. Industry workers have done an enormous effort despite the difficulties in getting raw materials. Agriculture workers are also making an enormous effort in carrying out their plans. Our main development programs are being fulfilled. For example, you can see some scientific achievements such as the discovery and mass production of the anti-meningitis vaccine as well as a number of other pharmaceutical and biotechnology products. They bring not only a better health outlook but also economic possibilities for the country.

A lot of progress has been made in the sphere of tourism. This is another of the important areas which can be used to increase the country's income quickly. It can be said that it is one of the things that has taken off. Many possibilities have come up in that field. Food programs are being fulfilled at a terrific pace. The programs include milk production, pork and poultry meat, eggs, tubers and vegetables, and rice. This year, we organized

74 brigades for drainage plots. We had 47 at the beginning of the year. This is the area in which the food industry was planning to have 95. As of 31 December it has 121, to give you an example. We created seven brigades of (?blight) engineering systems. In 2 more years, we plan to have all the ones we need to complete those foodstuffs programs. They are making progress.

[Reporter] Livestock and the dairy basin.

[Castro] Precisely, when I speak of milk programs I am speaking of six fronts we have opened already. The one in Camaguey is the largest one. Our programs, the mechanical industry program is making progress; the construction material program industry is making progress; the basic industry programs are also making progress. We are finishing the Cienfuegos oil refinery. We are advancing in the nuclear power plant. We are quickly making progress in the construction of CAME 2, the second nickel plant, with a construction contingent. I was told yesterday that around 10,000 tons of nickel will be reached at the Che Guevara plant. The difficulties that had impaired that plant's operation are being solved. Large thermoelectric power plants are being built in Felton, east of Havana. The mechanical industry of Santa Clara is being developed. This is a very important plant—that is, in the economic sphere in general.

Social programs are being developed. The housing program is being increased considerably. This is the case with child care center construction programs, special education schools, and polyclinics. I am not going to talk to you about our capital. Our capital completed these programs and is heading toward others. In a few more weeks, the capital is going to have completed eight bus terminals. In a few more months, the capital is going to have built the gathering markets. It would take too long to explain all these things.

I want to congratulate the people for many things. First, for the spirit with which they have worked this year, for the strength and revolutionary spirit shown, for the exemplary behavior shown during these difficult times, for the support given to the revolution, for the disposition to take forward socialism in our country and face any difficulty that may arise. I am certain that we count on all the political and moral factors to face any type of problem.

Nothing and nobody will make our fatherland turn back from the socialist path. I have to congratulate the people—more than congratulate—to express our deepest acknowledgement for the spirit shown on 7 December, for the spirit shown after the brutal imperialist attack on Panama, for the hundreds of thousands of men in this country who have expressed their willingness to fulfill any internationalist mission, even there if it were necessary.

I have to congratulate the young people for the magnificent and extraordinary event they held on 28 December. There are many things. I also want to congratulate the people, not only congratulate them but thank them, for

the firmness and loyalty with which they have accompanied the revolution during these glorious 31 years.

Message to Castro From Soviet Officials Noted

FL0101162990 Havana Radio Reloj Network
in Spanish 1210 GMT 1 Jan 90

[Text] In a message sent to Commander in Chief Fidel Castro, president of the Councils of State and Ministers, the highest Soviet political and government officials have showed confidence in the future strengthening and development of cooperation with Cuba. The content of the letter was reported by TASS NEWS AGENCY and notes that the USSR values highly the friendship relations and multiphasic cooperation fixed by the treaty signed in April 1989 during the visit paid to Cuba by Soviet leader Mikhail Gorbachev. From now on, we will do everything possible to strengthen and develop cooperation between the Soviet and Cuban peoples in all spheres of life, says the message.

Also, the All-Union Central Council of Trade Unions sent greetings to its Cuban counterpart, the Cuban Workers Federation. It highlights the high level achieved in their contacts and bilateral cooperation.

Havana Notes Ortega's Message to Castro

FL0201212790 Havana Radio Reloj Network
in Spanish 2017 GMT 2 Jan 90

[Text] Nicaraguan President Daniel Ortega has sent a message of congratulations to our commander in chief, Fidel Castro, on the occasion of the 30th [as heard] anniversary of the triumph of the Cuban revolution.

In the message, Ortega sends Fidel a fraternal embrace, which characterizes our exemplary and deep friendship, and he adds his respect for the heroic people of Cuba and their revolutionary leadership. During these times of hard tests for Latin America, Nicaragua expresses its faith on the final triumph of the just cause it defends, says the message from the highest Sandinist leader to our commander in chief on the occasion of a new anniversary for the Cuban revolution. The note also expresses respect for the sovereignty and self-determination of the people and for international law, which are fundamental for attaining peace and stability between nations.

Cypriot President Congratulates Fidel Castro

FL0201225190 Havana Radio Reloj Network
in Spanish 2105 GMT 2 Jan 90

[Text] Cypriot President Yeoryios Vasilou expressed his willingness to consolidate and strengthen his country's relations of cooperation and friendship with Cuba. In a telegram of congratulations sent to our commander in chief, Fidel Castro, on the occasion of the 31st anniversary of the triumph of the Cuban revolution, the Cypriot president expressed his wishes for progress and prosperity for all the citizens of the Caribbean island.

A message from Vassos Lyssarides, president of the Cypriot House of Representatives, to the Cuban parliament says the cordial ties between the two states, based on the principles and values of the Nonaligned Movement, will continue increasing in the areas of international cooperation, justice, and peace.

The Cypriot authorities, like several other nations, expressed their congratulations to the Communist Party of Cuba and the people on the anniversary of the triumph of the revolution.

Castro at Ceremony for Construction Workers

FL2912145589 Havana Tele-Rebelde Network
in Spanish 1200 GMT 29 Dec 89

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has presided over the ceremony in the Antillana de Acero plant marking the day of the construction worker.

[Begin Castro recording] Havana City Province deserves to be congratulated, especially the province's construction workers, laborers, and construction industry leaders. Because of this, they deserve the honor of hosting the ceremony for the day of the construction worker. They share this honor with Camaguey Province. They have worked well. I think that this is an honor and an important step forward, but this should not make us believe that everything is progressing perfectly. This honor implies an advancement and an incentive. [end recording]

Castro's Puente Nuevo Bus Terminal Speech

FL0201151490 Havana Cuba Vision Network
in Spanish 0241 GMT 30 Dec 89

[Speech by President Fidel Castro Ruz on 28 December at the inauguration of the Puente Nuevo bus terminal in Havana—recorded]

[Text] Comrades, unfortunately today I do not have time for a speech because I had a debt to pay. I had to present the banner to the contingent of the Jose Antonio Echeverria University City and I had to inaugurate a project there. There were several thousand students. I had to talk more than I had intended to do, despite the fact that I told them I was not going to give a speech. Here, I have no other alternative but to keep my word. From here, I have to go fulfill my other debt. I have to go present the banner to the Antillana de Acero and inaugurate a project there. On top of all this, I have to do it all before 1900 so the youths can attend the ceremony. So, there is very little time to spend on an analysis, which would be very appropriate at a time such as this.

I spoke to the students about the Blas Roca contingent, about the history of what it has done. I also mentioned that we now have 25 brigades, including the brigade that is going to finish the center for biological products [biopreparados]. We have a contingent that was modeled after your example.

Today we inaugurate this terminal. This is the first of the eight that we have planned as part of the bus terminal network in Havana. This is the last of the eight that was started, and it is the first one finished. [applause] [passage indistinct] I do not want to underrate the efforts the workers are carrying out at the other seven terminals. Today, I think it is difficult to find a work force that has the organization, discipline, and strength of the Blas Roca contingent. It has a large number of men who have a lot of experience and high morale. It has a lot of equipment—strong equipment—and it has excellent leadership. However, just because the last terminal to be started was the first one finished, it is no reason to [words indistinct] the other workers. This is simply something natural that is expected of the Blas Roca contingent. [applause] Hopefully some day, many other contingents [passage indistinct].

On this occasion, we had the valuable support of brigades of manual sugarcane cutters. They were able to perfectly adapt to the working style of a contingent, because they are accustomed to working 11, 12, 13, or 14 hours cutting sugarcane; thus, they were experienced enough to fulfill the task they were assigned here. [applause]

This is a true bus terminal. It has [word indistinct] meters. It has a capacity of up to 150 omnibuses. This is one of the eight terminals that will complete the network, for now. This will greatly support the capital's transportation. The decision to urgently build all these terminals was made when we became fully aware of the limitations [words indistinct] and of the objective problems in organizing a city to the highest efficiency [words indistinct]. Passenger transportation plays a strategic (?role) in the capital. We now have the first terminal here. A few minutes ago I saw [words indistinct]. It still needs some work, but I think it is the one that needs the least amount of work. It still needs at least a month's work. [passage indistinct] Well, we will give in. However, we will be in good shape when we finish these terminals. [passage indistinct] It is really impressive to see the amount of space there is. The space was created by the contingent. There used to be a swamp instead. You couldn't even walk here. Stone had to be used here. Hundreds of thousands of cubic meters of soil had to be brought in trucks to give this some firmness, in order to build. A special brigade was not formed. It was done with the participation of comrades from various brigades.

Nevertheless, the goal was met. Frankly, to me it seemed very difficult to meet. The extraordinary thing is that it was done in 4 months. In other words, this terminal was completed in approximately 17 or 18 weeks. Working at this pace, the country will make progress. But if you take 3, 4, or 5 years in building a terminal, there is no progress. Working at this rate, there is progress. This gives the people, revolutionaries, militants, and communists confidence in what socialism can do. [applause] This is being shown by the work of the other contingents, such as the comrades who are working on the refrigeration centers, on the pre-university schools in the south,

on the groundbreaking for the porcine centers, [passage indistinct], on the road to Mariel Port, on the railroads, or those who do the groundbreaking for the markets, [passage indistinct]. [applause] The country is making progress.

The importance of the Blas Roca contingent is not the speed at which they work, but the example they have set for all construction workers. Thanks to the efforts of this contingent, which was the first one, today there are over 60 contingents. Thanks to their effort and ideas, some industries have [word indistinct]. In some cases, the ideas of the contingent have been fully applied. In other cases it is more difficult, just some of the contingents' ideas have been applied. Wherever those ideas have been applied, the results are spectacular. [passage indistinct]

You have just completed a labor feat. This Puente Nuevo bus terminal [passage indistinct]. This project has another name. It is called a labor feat. It does not mean we actually call it that, but we should always remember it as one. We thank you comrades. [applause] We thank you for the motivation this project has been for everyone. I think the other projects will continue making progress at this rate. There is something our people will always thank the Blas Roca contingent for, more than for its feats, or for the tens of projects that are quickly and well built; what our people and revolution will always be thankful for will be for its example. [applause] Socialism or death! Fatherland or death, we will win. [applause]

Raul Castro Tours Pinar del Rio 31 December

FL0200145000 Havana Tele-Rebelde Network
in Spanish 1453 GMT 1 Jan 90

[Excerpts] During a tour through Pinar del Rio yesterday, Raul Castro Ruz, second secretary of the Communist Party of Cuba Central Committee and minister of the Revolutionary Armed Forces, met with two Youth Labor Army [EJT] squads of El Bragao camp in San Cristobal Municipality. This is the first harvest for these young men, who are part of the last active military service draft. They are cutting cane for the 30 November sugarmill and average 300 arrobas a day.

Later, Raul Castro visited the Number 1 collection center, where 11 soldiers, who are part of the EJT comprehensive brigade, work. [passage omitted] Raul Castro then toured the installations of La Perdiz EJT camp, located in Cinco Pesos, which has been planted so far with 4.3 caballerias of coffee. [passage omitted] Raul toured the installations of El Mameyal EJT camp, which is part of the coffee plantation in Rancho Mundito.

Fidel Vargas, first secretary of the province; Carlos Aldana; Vilma Espin; and General Rigoberto Fernandez, chief of the EJT; accompanied the FA minister. In this camp, they were able to see the harvesting for in-house consumption that provides soldiers with a better balanced diet.

In the evening, they visited the 30 November and Jose Marti agro-industrial complexes and all their installations, such as weight, tandem, and boiler rooms. There, he chatted with the workers about the status of the current harvest, the grinding levels, and each of their plans. [Video shows Raul Castro chatting with workers]

Letter Sent to Castro Asks for Referendum

FL2912173189 Mexico City NOTIMEX in Spanish
1956 GMT 28 Dec 89

[Text] Paris, 28 Dec (NOTIMEX)—A group of 400 prominent people, intellectuals, and artists from Europe and Latin America today asked Cuban President Fidel Castro to hold a referendum in Cuba on whether he should remain in power.

In a letter sent to the Cuban leader, the signatories named and stressed the democratic changes that have occurred this year in socialist countries in Eastern Europe. The signatories also placed special emphasis in the letter on the Romanian insurrection, which cost many lives. In view of the changes that have occurred in Eastern countries, the signatories demand that Castro allow the Cuban people to decide their political destiny.

The letter is signed, among others, by Spain's Camilo Jose Cela, winner of the 1989 Nobel Prize for literature; Peru's Mario Vargas Llosa, writer; Paloma Picasso (daughter of the Spanish painter); and Frances Ives Montad, actor, who was one of the first to denounce the excesses committed by the Stalin regime in the Soviet Union and in other East European countries.

The Cuban leader has said on several occasions that he will maintain the Marxist-Leninist line of Cuba's 1959 revolution, and he has condemned the changes taking place in Eastern European countries because he considers them to be capitalist measures.

Justice Ministry Reminds People of Decree 155

FL0201215290 Havana Radio Reloj Network
in Spanish 2050 GMT 2 Jan 90

[Text] The Justice Ministry reminds the population, administrators, and workers of the commerce and gastronomy sectors that Decree 155 issued by the Council of Ministers became effective on 1 January. The document applies to administrative and personal petty offenses that occur in prices, tariffs, retail trade, gastronomy, and other services rendered to the population. Domestic trade inspectors from the State Committee for Prices, local organs of the people's government, and other authorized organizations, will impose the fines that pertain to the commission of the offenses listed in Decree 155.

The Justice Ministry calls on the population to double its efforts in rendering service in the areas of commerce and gastronomy, as well as in price control.

Barbados

Opposition Leaders Assail Government Policies

FL3112194789 Bridgetown CANA in English
1716 GMT 31 Dec 89

[Text] Bridgetown, Barbados, Dec 31, CANA—The leaders of both parliamentary opposition parties in Barbados used their New Year's message to stab at the policies of the Erskine Sandiford administration and to offer their groups as the better alternative in the 1991 general elections.

"Barbados is now faced by an economic crisis that has been brought upon us by the ill-conceived policies of the present administration," said opposition leader and head of the National Democratic Party (NDP), Dr Richie Haynes. "The economy is over-taxed, credit-starved and foreign exchange deficient," he went on. "The present leadership is weak, indecisive and intellectually bankrupt and clearly the cabinet does not operate as a team," Barbados Labour Party (BLP) leader Henry Forde declared.

Haynes said the country stood on the edge of a deep economic recession which could turn out to be much more severe than one in the early 1980s. He said that during the first 10 months of 1989, the government collected BDS\$52.5 million dollars (one BDS dollar = 50 U.S. cents) in revenues compared to 685.9 million dollars for the corresponding period in 1988 and it was now evident that revenue will exceed the targeted figure by more than the estimated increase in taxes imposed by the march budget.

"As a consequence of such unwarranted taxation, workers have been made to suffer a substantial decline in their real disposable income," he complained. According to Haynes, "despite strong protestations to the contrary", the government had precipitated a foreign exchange crisis, by engaging in unrestrained expenditure and financing the deficit by printing money.

Haynes accused the government of worsening the unemployment problem among the youth and said the year was characterised by social stress and an escalation of deviant behaviour among young people. "As we embark on the final decade of the 20th century, Barbados stands at the crossroads. Unless there is fundamental change in the political culture of this country, the social, cultural, and economic degeneration of the 80s will continue into the 90s at an accelerated pace," Haynes said.

Forde, in assessing the global situation, said there were "circumstances and trends" in the nation which threatened "our accustomed stability and equilibrium". "Barbados must put in place a series of measures which will exploit the regional and international opportunities which have become available to us," he said. Among the measures he proposed were upgrading of the export promotion corporation, and maximisation of earnings from tourism, agriculture and manufacturing.

The BLP leader said these objectives were achievable but would require a change in political leadership and in attitude to discipline and productivity among the workforce as well as a revamping of fiscal and tax policies "to remove the crippling effects of harsh taxation". "...As I look to the future I am in no way daunted by the challenges but I shall be the first to admit that we shall be obliged to make fundamental changes satisfactorily to answer these challenges," Forde said.

Dominican Republic

Santo Domingo's Archbishop on Noriega

*FL2912234289 Santo Domingo Radio-Television Dominicana
TV Network in Spanish 2134 GMT 29 Dec 89*

[Text] Santo Domingo's Archbishop Monsignor Nicolas de Jesus Lopez Rodriguez said today that the Vatican should not turn in General Manuel Antonio Noriega to the United States because asylum is a sacred condition. The Catholic prelate said the Vatican's refusal to turn in Noriega to the U.S. Government will not affect relations between the United States and the Holy See.

Grenada

Paper Supports U.S. Action in Panama

*FL3112201689 Bridgetown CANA in English
1700 GMT 31 Dec 89*

[Text] St George's, Grenada, Dec 31, CANA—The independent GRENADIAN VOICE newspaper has supported the U.S. military strike against Panama. "We feel obliged to be the voice in the wilderness rising to their (the U.S.) defense for the action they took in Panama....," the paper said in an editorial.

The U.S. action in Panama last week ousted leader Manuel Noriega and paved the way for establishment of a government headed by Guillermo Endara.

The Grenada paper said Noriega first declared that Panama was in a state of war against the United States, after which American citizens were victims of violent attacks. "Bullies always take advantage of perceived weakness and no-one can estimate what proportions that would have assumed if allowed to continue unchecked," it added.

The paper also said that from television reports it seems that Panamanians are showing relief that Noriega has been ousted. "This, to our mind, gives the American action some acceptability and justification on moral and humanitarian grounds—especially since they will not be seeking to hold the country for themselves," it said.

Grenada was also invaded by the U.S. in 1983.

Grenadians' 1989 Experiences Reviewed

*FL0201192590 Bridgetown CANA in English
1922 GMT 1 Jan 90*

[By George Worme]

[Text] St George's, Grenada, Jan 1, CANA— Grenadians ended 1989 mourning the death of a prime minister and began 1990 preparing for general elections. Prime Minister Herbert Blaize's death on December 19 capped an eventful year which saw the gun slaying of the country's top police officer and an American diplomat by an assistant commissioner of police who went berserk and was himself found dead in a prison cell later the same day.

Blaize's death followed a slide in his political fortunes. Before 1989, the leaders of two parties who had teamed up with him to launch the New National Party [NNP] pulled out. Then a January 1989 annual conference elected cabinet minister Keith Mitchell to replace Blaize as leader of the NNP. Later in the year, Blaize sacked Mitchell as public utilities minister as differences between the two persisted. With Mitchell and his parliamentary supporters joining the opposition ranks, Blaize suddenly found himself with a minority government.

In August, he hurriedly prorogued Parliament amidst an opposition threat to bring his government down with a no-confidence motion. One of his final acts was to launch The National Party (TNP) to contest the forthcoming polls. He was elected TNP leader 2 days before his death.

Only days before, Blaize had authorised the sale of a large portion of the government's shares in Grenada Telecommunications Limited to the British giant, Cable and Wireless, for 18 million East Caribbean dollars (one EC dollar = 37 U.S. cents) to pay public sector workers. They had struck the week before to press their demands for a 25 million dollar back pay package.

There were several matters on which Blaize and Mitchell did not see eye to eye. The appointment of then external affairs minister, deputy party Leader, and Blaize loyalist, Ben Jones, as deputy prime minister did nothing to heal the rift. On July 20, Blaize axed Mitchell and another close colleague in the cabinet, Larry Joseph, the minister of state for legal affairs, and national security.

He accused them of breaching the principle of cabinet's collective responsibility by publicly criticizing government decisions. "It is an accepted norm of parliamentary behaviour that cabinet ministers who disagree on fundamental issues should resign their portfolios. This situation has gone far enough and cannot be tolerated," he said after the sackings.

Although Blaize was not specific, Mitchell is known to have distanced himself from a ban imposed on Marxist literature for the Maurice Bishop Patriotic Movement (MBPM). He also criticized the government over the

slow pace at which it was proceeding on pay talks with unions representing Grenada's approximately 7,000 civil servants.

Health Minister Danny Williams and Minister of State for Women's Affairs Grace Duncan soon resigned from the administration in support of Mitchell, leaving Blaize in charge of a minority group in Parliament. At this point, politicians were arguing over which faction of the NNP was sticking to the manifesto promulgated when three parties merged in 1984 to contest general elections.

"I could not be in two parties at the same time," Williams said.

"I belong to the New National Party," Duncan quipped.

As it turned out, it was Blaize who left the NNP as George Brizan and supporters had done to establish the National Democratic Congress (NDC). An angry Mitchell vowed to bring down the government with a "vote of no confidence" whenever Parliament met so as to force Blaize into dissolving Parliament and calling general elections.

"We are going to do everything possible within the constitutional rights of the people to bring the government down. We are ready for them with the ballot box," he said. However, this was not to be. Mitchell miscalculated in preparing the no-confidence motion which was to be tabled in August. In order to force Blaize's hand, Mitchell needed the support in Parliament of the NDC which with its six MP's was not a willing partner.

Blaize prorogued Parliament, which did not meet again until December—with opposition pledges not to move a confidence vote—to approve moves to raise the money to pay civil servants.

The NDC had set its own election agenda, sending a letter to Blaize in July, giving him 2 weeks in which to name a date for elections on or before November 25 or face the consequences. Blaize in response said that the government had certain processes in train which the announcement of a date then would severely affect. He was referring to among other things an inquiry launched into the operations of nine government departments and statutory bodies, five of which fell under portfolios which Mitchell had once controlled.

But Blaize was not to contest another general election. He died after years of struggle with crippling arthritis and a prostate gland disorder for which he frequently was treated in the United States. Just before his death, he talked of his election, unopposed, as leader of the newly formed TNP. "I was not surprised," he said feebly from the wheelchair to which he was confined for most of his final years.

The first major decision which Ben Jones had to carry out on his appointment as prime minister by Governor General Sir Paul Scoon, was to instruct Sir Paul to dissolve Parliament with effect from December 27. The move brought an end to the 5 year term in office of the

government and paved the way for machinery to be put in place for general elections within the next 90 days.

Jones, however, has indicated that elections are only third on his list of priorities, after the need for him to take full control of government and then to make good the island's financial situation.

Apart from the NNP, NDC, and TNP, another election watcher is Sir Eric Gairy, a former prime minister who is fancying the chances of a comeback for his Grenada United Labour Party with the ranks of the opposition so divided. Two other parties were launched in 1989 in anticipation of elections—the Grenada People's Movement (GPM) of educator Dr Raphael Fletcher and the People's Party for Growth and Accountability (PEPGA) of former IMF economist Dr Davidson Budhoo.

One of the highlights during 1989 was the government's hosting, for the first time, of the Caribbean Community heads of government annual summit. The meeting was said to be one of the most successful. At it, the leaders issued the "Grand Anse Declaration and Work Programme for the Advancement of the Integration Movement."

The year just ended also saw tragedy once again at Fort Rupert, the scene of the execution in 1983 of Prime Minister Bishop after a bitter leadership feud in his new Jewel Movement Party.

Police Commissioner Cosmos Raymond and U.S. diplomat John Butler were gunned down by assistant commissioner of police, Grafton Bascombe who went berserk amidst allegations that he had misappropriated some funds for a regional security exercise. Two other senior police officers including a Barbadian were wounded by shots fired by Bascombe before he was brought under control and taken to a cell, where minutes later he was found lying dead on the floor. An autopsy conducted by a local pathologist concluded that he had died from "cardiac arrest."

At year end the appeal against the death sentence by 17 persons convicted in the Maurice Bishop killings was not concluded.

Haiti

President Avril Tours Southeastern Haiti

FL3012194889

[Editorial Report] Port-au-Prince Radio Nationale in Creole at 1200 GMT on 28 December carries a 40-minute report by special envoy Rochnel Charles on President Prosper Avril's tour of southeastern Haiti on 27 December.

The president was accompanied by his wife, Sergeant and Mrs Joseph Heubreux, and many high-ranking government officials. Included, among others, were Minister

of Interior and National Defense Fritz Romulus; Minister of Public Health and Population Serge Pinthro; Minister of Information and Coordination Rosemarie Nazon; Public Administration and Civil Service Minister Remy Mathieu; Chief of Protocol Yves Massillon; and Bogard Marseille, coordinator of the Citizens' Grievances Service.

The delegation was met by civilian and military authorities at the entrance to Jacmel and then proceeded immediately to Cayes Jacmel, where it was welcomed by magistrate Frantz Fenton. Many civilian authorities from Cayes Jacmel made speeches.

The justice of the peace promised to pay special attention to the peasant masses, in keeping with the government's line to improve the lot of the peasants.

President Avril made a speech, saying he was happy that the justice of the peace meant to protect the peasants because what he wanted was to protect the peasants so they could emerge from the condition they have been in for the past 185 years. The president said he was pleased to see many different groups at work, because he would not like for the citizenry's vital force to fade away out of discouragement.

Avril said: "We have problems obtaining means with which to develop the country the way we would like. Thus, the first thing I came here to the southeast to get is a (little strength), for as you know, the southeast is the symbol of personal effort and of the national effort of the Haitian people to get out of the situation we have been in for the past 185 years." Avril further said: "We are not going to sit down and wait for foreign aid to develop our country. Development lies within ourselves. I want you to know that." "The secret lies in work," said Avril, "not in sitting around talking politics all day long." Avril added that he saw the same problems everywhere he went, and that things had to change and that his government was working to change them.

The delegation visited the site of a future administrative complex in Cayes Jacmel, after which it visited Marigot, where Avril ordered an old school begun under President Estime finished and the Marigot barracks cleaned and renovated. The president has had the Citizens' Grievances office distribute some 10,000 tin roofing sheets in Cayes Jacmel and Marigot.

From Marigot, the delegation went to Peredo, which is soon to receive roofing sheets too, said Avril, who promised to send out another shipment "immediately."

From Peredo the delegation returned to Jacmel, where the president inaugurated the wharf, which has just been fixed by the National Port Authority. The president was welcomed to the wharf by a merchants delegation and the Jacmel authorities.

After leaving the wharf, the president walked along the waterfront asking questions and taking notes until he

reached city hall, where he was welcomed by the magistrate and where several people made speeches.

The president addressed the population from the balcony of Jacmel city hall, saying he was not making a speech but engaging in a conversation with the population. Avril said Jacmel had to arise and be reborn from its current ashes. The president said everything the government did was aimed at improving the lot of the peasant masses and the poor. "We have not built this port so that the rich can get richer and the poor poorer," said Avril. He added that the port was built to improve the lot of the have-nots and that he expected things arriving directly in the port of Jacmel to not be more expensive than in Port-au-Prince.

Avril continued: "The second thing is that the existence of this port should not lead to a drop in the income that should go into the state coffers so as to be returned to the people in the form of schools and dispensaries. Thus, I am counting on you to help fight contraband."

The general said the National Palace has been open to delegations from all sectors since 17 September. "We are undertaking the administrative decentralization of the nation," said Avril. "That is what we want to accomplish," he said.

The president promised to visit Jacmel "from time to time", as asked on a placard he could read. "And every time I do, I will make it a point to have something to inaugurate in Jacmel," said Avril.

The delegation then went to La Jacmelienne Hotel. Special envoy Charles says that all along the way, the population cheered, "and at 1800, the nation's president was still in Jacmel."

Nation's Bishops Protest CEH Building Takeover

*FL2912232289 Port-au-Prince Radio Soleil Network
in Creole 1000 GMT 28 Dec 89*

[Excerpts] The 10 Haitian bishops who make up the Episcopal Conference of Haiti [CEH] have issued a communique to reaffirm their position on the arbitrary acts committed against the opposition members [Mesyeux, Paul, and Marineau] who have been in prison since 1 November. In the communique they pointedly protest the way a group has overrun CEH headquarters since 27 November. The infringement has caused the bishops considerable inconvenience. [passage omitted]

[Begin recording] [First speaker] Communique from the Episcopal Conference of Haiti. [passage omitted]

We have not been able to use our headquarters for the past month. Without asking our permission, certain members of the Haitian Medical Association invaded and occupied CEH headquarters on 27 November. They wanted to, from there, address the nation to protest the mortifications suffered by two of their colleagues. The doctors only stayed 24 hours.

[Words indistinct] that invasion—something unheard of—a lady, plus a group of men and women who joined her later, installed themselves at CEH headquarters for a hunger strike. The lady was demanding the release of her son, imprisoned at the National Penitentiary.

It looks as though by deciding to hold on to the headquarters—an occupation that is unjust and that is lasting a long time—they are seeking to pressure the CEH to make certain demands or to undertake things that are not in keeping with the church's mission.

[Second speaker] [Passage omitted] How can anyone demand that the CEH intervene in the name of justice while at the same time themselves violate justice by occupying the place where the members of the CEH are supposed to meet? This is a contradiction we feel we must denounce. The only way out of this contradiction is to return to the bishops the locale which is indispensable to the proper functioning of the CEH. [passage omitted]

In the case of the citizens arrested on 1 November, the CEH has three times protested behavior that tramples human dignity and forcefully demanded respect for human rights. Today once again, we demand that to which all prisoners have a right: That they be treated like human beings, that their physical integrity be respected, and that they be given the right to defend themselves.

We also demand that the courts act in a fully independent and impartial manner, in strict observance of the law. [end recording]

That was Monsignor Alix Verrier, bishop of Les Cayes and CEH vice president, and Monsignor Joseph Lafontant, auxiliary bishop of Port-au-Prince, reading this communique, which bears the signatures of all Haiti's bishops.

For its part, the group occupying the CEH headquarters is not happy with this statement by the bishops, and says it is not willing to leave the CEH headquarters before its demands have been met. The group accuses the bishops of throwing it to the police. [passage omitted]

We must remind listeners that the fasting and prayer vigil initiative committee still occupying CEH headquarters issued a statement on 26 December announcing a celebration they are planning for the evening of 31 December. This celebration falls within the framework of their movement of solidarity with Mrs Artemise Paul to ask the military government to release the political prisoners.

We remind listeners that in their Christmas message, after talking about the happiness 7 February [1986] brought, the bishops also talked about the subsequent disappointment, and the mourning, death, and woes of all kinds that have swept over the bodies and spirits of the population during the past 3 years. What is the cause of all these woes? According to the bishops, it is the means used to arrive at the path of the change everyone is talking about. [passage omitted]

The bishops say: There are people in the society who confuse the masses, because they make the masses believe there are two kinds of Haitians: good and bad. This idea unleashed violence against those labeled bad, as if they were responsible for all our woes; while the others were made out to be little saints. The bishops add that at the same time this idea was being developed, they noticed a tendency to measure the church's role by its social work alone. Thus, the church was considered a tool for political liberation. [passage omitted]

Workers Committee Head Reviews 1989

FL301221189 Port-au-Prince Radio Soleil Network
in Creole 1000 GMT 29 Dec 89

[Excerpts] In the name of his organization, Haitian Workers Committee [COH] Secretary General Idli Cameau draws a balance sheet for one of our reporters. [passage omitted]

Cameau thinks 1989 has been a black year, a year of persecution for the union movement and the popular organizations.

[Begin Cameau recording] The year 1989 began with the report by Virginie Saint-Pierre [former information minister] and the (?paranoid) birth of the Avril government, which has always believed there were plots to overthrow it. [passage omitted]

There has been a lot of repression. [passage omitted]

That is why we feel this past year can be considered a black year for the Haitian people. It has been a year in which there has been repression, in which there has been no justice, in which the Haitian people's voices have not been heard, and in which whatever has been done to the people has been sanctioned by the government. [passage omitted]

Everyone has noticed that there has been state terrorism, in which thieves steal and despite all the howling and all the phone calls, the police says nothing. Instead, the police protect those committing the abusive acts. [passage omitted] [end recording]

Cameau called on all the leaders of political parties and popular organizations to really unite and form a bloc to block the path to the enemies of the people, who are plotting to do away with all serious political leaders. [passage omitted]

Groups View on 1989

FL3012215189 Port-au-Prince Radio Soleil Network
in Creole 1000 GMT 28 Dec 89

[Excerpts] The year 1989 will be over in 3 days, and many union and sociopolitical organizations in Haiti have drawn up a balance sheet of their activities in 1989 and set forth plans for the coming year. General and Independent Organization of Haitian Workers, OGITH,

held a news conference on 27 December at its headquarters on Delmas 11 to draw up a balance sheet for 1989 of OGITH activities in particular and the union movement in Haiti in general.

OGITH Secretary General Schiller Marcelin said the union movement was dealt a lot of blows in 1989, with soldiers raiding union offices, employers firing workers with impunity, and both the government and the judiciary remaining silent about these acts. There was much provocation and persecution of the union movement. Many challenges are blocking its path, such as the labor code, which has not been changed and which (?leads to) labor cases dragging on (?for as long as) 2 years in the court of appeals without the workers being given justice.

The union movement has still not been able to penetrate the civil service, where to work one must support all the government's vile actions. [passage omitted]

OGITH also said that certain media have just appeared on the scene. No one knows where these media stand. These media broadcast anti-union material at night. There are also a number of unions that people only learn about on the eve of a strike, when they come forward to support the government and take stands against the Haitian people's demands.

OGITH also said that certain sectors schooled in the United States are reproaching the union movement for allegedly engaging in politics, but these sectors never seem to feel the government is engaging in politics when it raids union headquarters seeking anti-government tracts.

Thus, the unions have been dealt many blows in the past year. Marcelin says that for several reasons, the movement is still not strong enough to react properly. Despite all this, says OGITH, the union movement is growing stronger. [passage omitted]

The Socialist Workers League has also drawn a balance sheet for 1989 and the prospects for 1990. According to the League's Coordinator Jean Charles, if the union movement has not made substantial progress since 1986, it is because real, basic organization is lacking.

[Begin Charles recording] We of the League entered Haiti after the departure of Jean-Claude Duvalier to be able to cover a vacuum that existed back then. There was an ideological vacuum, with the masses taking to the streets and everything was being done haphazardly. There was no political guidance given. The masses and the bourgeoisie made up a single entity, with the matter of class ignored.

As you know, in all struggles wherever they may be, the matter of class is fundamental. Because the inexistence of the matter of class permitted the bourgeoisie to, (?in a way), torpedo the Haitian revolutionary movement, in 1986, some 2 or 3 months after Duvalier's departure, we came in to try to fill this vacuum that existed.

In view of the political juncture, however, and because the populists have such a wide field in the matter, the work we did here as a revolutionary movement, was not of real significance. We did, however, do some important work. I mean, we talked to the people, made them understand exactly what the struggle consists of, at what level they are acting, and what they need to do to get out of the political situation they are living in. [end recording]

The Socialist Workers League's secretary general, Ronald Dejean, thinks the Haitian people should take advantage of the changes taking place worldwide to table their problems differently, and he intends to employ a different strategy for 1990 so that the workers movement can become stronger in Haiti.

Further on Groups 1989 Reviews

FL3112002989 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 29 Dec 89

[Excerpts] Two days before the end of 1989, it is time to draw a balance sheet. Everyone is drawing a balance sheet of the year. [passage omitted] The political class too is drawing a balance sheet of the political year in Haiti.

[Passage omitted] Hubert de Ronceray says 1989 was no different from the preceding 3 years, with the Haitian people continuing to struggle hard in a turbulent situation, in an attempt to at last find the path to democracy. The truth on the economic level for 1989 is that the Haitian people no longer produce anything. [passage omitted]

The social truth is that there is generalized insecurity. The government has gone back to committing terrorist acts. There is widespread fear and arbitrariness. [passage omitted]

The political truth is that the de facto government is waging its electoral campaign. The democratic process, meanwhile, is blocked. [passage omitted]

The Haitian people, distrust those in power. There is hatred, contempt, and disgust. Many people have had to leave the country. Mobilization for National Development says 1990 simply cannot be like 1989. The party has decided to continue working together, using dialogue, with all institutions and sectors in Haiti—so that Haitians can recover security, justice, peace, and work.

Under the title "Political Balance Sheet and Prospects," Serges Gilles' Nationalistic and Progressive Revolutionary Party of Haiti, Panpra, discusses the past year and Panpra's hopes for 1990. Panpra's balance sheet, however, reaches beyond Haiti's borders. [passage omitted]

In 1989, several different peoples rose up against dictatorships to demand freedom and democracy. [passage omitted]

According to Panpra, here in Haiti, the de facto government has gone through three phases: a period of dialogue and concerted action, in which the national forum was organized; a period in which the government got angry and tightened the screws, after the April events, just when responsible political forces and the population were expecting the government to take up the proposals it made them give it during the forum in order to form a government of opening and satisfy the population's demands for security and justice; and a third period in which the de facto military government unsheathed its claws at the beginning of November, with the heavy-handed action against the Autonomous Organization of Workers, the Confederation for Democratic Unity, the 17 September People's Organization, Chavannes Jean-Baptiste [Papaye Peasants Movement leader], and Joseph Maxi [Haitian Human Rights League lawyer]; the wave of arrests in the provinces; and so forth. [passage omitted]

Further on in its balance sheet, Panpra discusses the prospects for 1989. [passage omitted]

How can the Haitian Government continue to put forth the specter of a communist threat to try to make the countries that habitually help Haiti believe that things must remain as they are in Haiti? [passage omitted]

In Haiti, the Haitian people have already proven that they are ready for democracy, ready to choose their own leaders. If it hadn't been for the obscurantism and incompetency of the nation's leaders in November of 1989 [date as heard] these things [not further identified] would be history today, and there would today be a democratically elected government leading the Haitian people. [passage omitted]

Eddy Volel [of the Christian Democratic Assembly] feels, judging from the acts of repression committed against members of the opposition, that the government does not respect human rights. [passage omitted]

[Begin Volel recording] [Passage omitted] We know there can be no elections under Prosper Avril, and that the people do not want to go to elections under Avril. Thus, if he wants to give the population a gift, he should resign on 1 January. [passage omitted]

We know about all the meddling [words indistinct] foreign countries regarding the fake elections he is planning to hold so he can hold onto power because he is continuing to draw up a list of deputies and senators. He is (?going to) ask them to come and form cartels and appoint him president forever. [passage omitted]

We see that the cabinet he just appointed is a family cabinet, so to speak. There is no point in his engaging in demagoguery and pretending to be a patriot, pretending to be nationalistic and coming and talking to us about either the Constitution or about elections or about meddling in (?the nation's) affairs. If he really respects the Haitian Constitution and people, he would do well to remember that the Constitution asks that all Duvalierists

like himself stay out of the government. Thus, we hope all Haiti will rise up, so that 1990 will not be like '87, '88, or '89. Thank you very much. [end recording]

Jamaica

Government, IMF To Finalize New Pact

FL0201200390 Bridgetown CANA in English
1507 GMT 2 Jan 90

[Text] Kingston, Jamaica, Jan 2, CANA— A team from the International Monetary Fund (IMF) was arriving in Kingston on Tuesday to finalise the terms of a new pact between the Fund and the government. Published reports here say that the Fund and the government reached a tentative agreement on a new programme 2 weeks ago after several months of negotiation.

Deputy Prime Minister P.J. Patterson said recently that the government was insisting that the new agreement emphasise growth instead of the usual cutbacks. Opposition leader Edward Seaga in his New Year's message which focused on the state of the economy noted that the new IMF agreement will be "bitter medicine." But this was the price which had to be paid to get the country back on track, he said.

Last September, the government suspended its last agreement with the IMF when it became clear that it could not meet the International Reserves Test for September. The government immediately began negotiations for a new agreement which officials said then would be in place by January.

Montserrat

Central Bank Issues Growth Report

FL0101013090 Bridgetown CANA in English
1619 GMT 29 Dec 89

[Text] Basseterre, St. Kitts, Dec 29, CANA—Montserrat recorded the highest economic growth rate among the Organisation of Eastern Caribbean States (OECS) in 1988, according to the Eastern Caribbean Central Bank (ECCB). It was a good year for tourism, but a bad one for agriculture.

In its annual report, issued here, the ECCB said real gross domestic product (GDP) rose by 12.4 percent, compared with 10.8 percent in 1987. "This marked the fifth consecutive year of expansion following the contraction of 1983. Growth in 1988 was characterized by substantial increases in real consumer expenditure as well as gross capital formation," the ECCB added.

The bank said figures on the sectoral composition of [words indistinct] Montserrat was not available, but indications are that tourism and construction provided the main avenue for growth. Residential and tourism-related construction continued to be buoyant, with the number of applications for building permits being 11

percent higher than in the previous year. "The direct value added in tourism is estimated to have increased significantly, reflecting the 7.4 percent increase in visitor arrivals," the bank reported. "The rest of the services sector which produced just under three-quarters of total output in 1987 continued to be buoyant in 1988."

The agricultural sector continued to experience slow growth, while the manufacturing sector declined marginally as a result of the contraction in the assembly of electronic components. This decline in manufacturing, the bank said, was reflected in a downturn in domestic exports.

The ECCB said the growth in output in 1988 was achieved with only a modest rise in inflation, which was 3.6 percent in 1988. It was up from the 2.7 percent the previous year. With the sharp rise in output, the level of employment in Montserrat continued to rise during 1988. Unemployment, which stood at two percent in 1987, fell further the following year.

The ECCB said a sharp rise in current revenue and a slower growth in current expenditure resulted in a significantly larger current account surplus in 1988. Current revenue increased by 15 percent to EC32 million dollars (one EC dollar = 37 U.S. cents), while current expenditure rose by approximately 10 percent to EC30 million dollars.

The ECCB said provisional estimates indicate that the overall surplus on the balance of payments declined further in 1988, to 0.7 percent of GDP from 2.4 percent in 1987. The deficit on the current account was reduced by half to three million dollars.

During 1988, imports rose by five percent to reach EC71.7 million dollars, when compared with the 28 percent rise in the previous year. The food import bill of EC11.5 million dollars remained virtually unchanged from the previous year, while imports of miscellaneous manufactures, at EC6.9 million dollars, were 16.3 percent less than in the previous year.

The export performance weakened considerably during the year, with total exports reduced by 33.7 percent to EC6.3 million dollars. "This was largely attributable to a decline in industrial activity related to the manufacturing of electrical and electronic parts for export to the United States market and was reflected in a fall in domestic exports by 42 percent to EC4.8 million dollars," the ECCB disclosed.

St Christopher and Nevis

Prime Minister Simmonds Gives Address

FL0201202990 Bridgetown CANA in English
1549 GMT 2 Jan 90

[Text] Basseterre, St Kitts, Jan 2, CANA— St Kitts and Nevis Prime Minister Dr Kennedy Simmonds says diversification of the economy will be a priority this year

as well as rehabilitation of structures damaged by Hurricane Hugo last September.

In his New Year address to the two-island federation Simmonds said he hoped to achieve prosperity for the nation through implementation of his government's development plan, which seeks to transform the economy from the sugarcane mono-culture to a diversified stable economy.

Opposition leader Dr Denzil Douglas, in his first New Year's message, called for an end to political tribalism in St Kitts and Nevis. Douglas, who became leader of the opposition St Kitts-Nevis Labour Party following elections last March, said he wanted to see true rededication of the state to basic functions so that proper health, housing, food, justice, and ecological preservation might be considered the right of every citizen.

The prime minister said the 112 million East Caribbean dollars (one EC dollar = 37 U.S. cents) damage inflicted by Hugo, "threatened to set back our development thrust." However, he stated that government expected to receive by March, the first disbursement of an EC 10 million dollar loan from the Caribbean Development Bank (CDB) for post Hugo work on infrastructure.

The money will be used to construct a new pier for the internal ferry and cargo service, as well as sea defences where significant erosion had occurred. The prime minister also announced plans to build new schools and repair those damaged by Hugo, as well as improve existing water and electricity facilities on both islands to meet the challenge of present and projected demand.

He said his government would double its efforts at training in a wide variety of disciplines to continue the development of the country's human resources. "We need more artisans, craftsmen and tradesmen," Simmonds added, thus the emphasis on vocational training. He however warned that the purpose of training is to enhance our development process and not prepare locals for work in the United States, Canada, and Britain.

"We will go as far as our people will take us," he added for national development in the final analysis is the sum total of each person's productivity.

Douglas said the provision of basic services, justice, and maintaining the environment "cannot be achieved if we are a divided people, or if our educational system does not seriously impart the skills, attitudes, and behaviours that our young people must inculcate to face the challenges and opportunities of the new decade."

He called on the government to offer a meaningful strategy to address the problem of illicit drugs, "not only on the supply side, but also the demand side." The opposition leader suggested that the government introduce as part of the schools curriculum, a period set aside to make students aware of the dangers of drug and its use.

St Lucia

Government Issues Annual Report on Economy

FL0101001390 Bridgetown CANA in English
1949 GMT 29 Dec 89

[Text] Basseterre, St Kitts, Dec 28, CANA—A sharp recovery in the banana industry and continued buoyancy in construction and tourism helped the St Lucia economy to regain momentum in 1988, the Eastern Caribbean Central Bank (ECCB) has reported. The bank also noted a modest expansion in the manufacturing sector.

Gross Domestic Product (GDP) increased by an estimated 6.8 per cent in 1988. Following a four per cent contraction in 1987, the agricultural output expanded by 24.1 per cent, due mainly to the performance of the banana industry, the bank said. "Banana volume reached an all-time high of 128.1 thousand tonnes, largely facilitated by favourable weather conditions and an increase in the acreage under cultivation," according to the ECCB in its annual report released here.

It said total foreign exchange earnings from bananas amounted to EC176.9 million dollars (one EC dollar = 37 U.S. cents), an increase of 24.6 per cent over the previous peak in earnings of EC121.2 million dollars in 1986. However cocoa, coconuts and ginger showed declines while export volumes of non-traditional crops increased marginally by almost two per cent.

Output growth in the manufacturing sector rose modestly in 1988, with growth of 2.5 per cent compared with one per cent the previous year. The bank said the stagnation in the sector during the years 1984-87 "was due to weak demand and other difficulties experienced in the Caricom [Caribbean Common] market".

The performance of tourism was also stronger, with the hotel and restaurant sectors growing by four per cent in 1988 compared with 2.9 per cent in 1987. "This output performance reflected a 5.9 per cent increase in total visitor arrivals to 214,271," the ECCB said.

The construction sector in which value-added has been increasing at rates in excess of 10 per cent since 1984, remained buoyant throughout 1988, with a growth rate of 14 per cent. "Activity in the sector reflected the continued strong growth in residential construction supported by commercial bank credit for house and land purchase which increased by EC34.3 million dollars to EC114 million dollars."

Inflation in St Lucia declined to 1.6 per cent as against 5.1 per cent in 1987, with the most significant changes being in furniture and household equipment and fuel and light. The government's fiscal performance for 1988-89 registered an improvement over the previous fiscal year. The overall deficit narrowed to 0.5 per cent of GDP from 2.8 per cent of GDP in the fiscal year 1987-88.

The current account operations remained fairly satisfactory, with a surplus of EC32 million dollars being achieved as against EC36.3 million dollars for the previous year. Revenue rose by EC27.6 million dollars, but this was offset by an increase in current expenditure of EC31.9 million dollars. "While the overall fiscal out-turn seems to be satisfactory, the situation might have been better in the fiscal year 1988-89, had it not been for the late implementation of certain measures which were announced in the budget of 1988-89," the ECCB added.

The deficit on St Lucia's balance of payments widened to EC42.5 million dollars from EC34.6 million in 1987. The bank said for 1988, the current account deficit represented 8.6 per cent of GDP as against 7.7 in 1987.

"The increase by EC111.8 million to EC320.5 million in export earnings during 1988 represents a significant turn around, following the EC15.3 million dollars decline registered for 1987," the ECCB said. It said the improvement was facilitated largely by a 63.2 million dollar increase in the value of banana exports, and gains in clothing and paper products.

St Vincent and the Grenadines

Central Bank Issues Annual Report

FL3112213189 Bridgetown CANA in English
2151 GMT 29 Dec 89

[Text] Basseterre, St Kitts, Dec 29, CANA—The economy of St Vincent and the Grenadines is estimated to have strengthened further in 1988, following an average annual growth rate of 5.7 per cent between 1982 and 1987, the Eastern Caribbean Central Bank (ECCB) has reported. The bank said growth in the economy was led by the significant expansion in agriculture and construction because of an increase in banana exports and high levels of public and private sector investment.

"Real growth in the economy during 1988 is estimated at 8.4 per cent, the highest in the last 10 years, exceeding earlier forecasts of 5.6 per cent as the recovery in the agricultural sector was more rapid than projected," the ECCB said, in its annual report released here. It said agricultural output rose by 24 per cent, following the five per cent decline in 1987, when production was affected by adverse weather conditions. Banana production rose following a price increases, but the traditional export crops of arrowroot starch and tobacco registered declines of 22 per cent and 25 per cent respectively.

The ECCB said production in the manufacturing and tourism sectors, did not fare as well despite efforts to increase activity in both sectors. In the manufacturing sector, additional fiscal incentives were provided, while in the case of tourism, legislation was introduced to encourage investment.

The ECCB said the problem facing the manufacturing sector was the unavailability of factory space, as well as

the contraction of the market for flour and galvanised sheets due to increased competition.

Growth in the hotel and restaurant sector slowed in 1988, and the tourism sector felt the impact of a slow-down in total visitor arrivals from 31.7 per cent in 1987, to one per cent in 1988. The ECCB also reported a slowdown in activity in the construction sector from 11.8 per cent to six per cent. However, the bank predicts that growth in the sector is expected to continue at around the current level over the medium term as work progresses on a number of projects.

The rate of inflation, slowed from 3.4 per cent in 1987 to 2.1 per cent as pressure exerted by a decline in food production in 1987 subsided with the improvement in weather conditions.

During 1988, public sector finances remained relatively strong as the recurrent account operations yielded a surplus of EC12.9 million dollars (one EC dollar = 37 U.S. cents), the equivalent of nearly four per cent of GDP. "This healthy fiscal situation has not only led to larger contributions from local revenue to capital projects, but has also improved the creditworthiness of the country in attracting financing for the public sector investment programme," the ECCB said. The bank noted that despite the income tax allowances introduced, revenues in 1988 improved as a result of better assessment and collection measures.

During 1988, the trade deficit narrowed to EC24.9 million dollars from EC51 million dollars in 1987. "The narrowing of the trade gap and the concomitant improvement in the current account was mainly due to a 63 per cent increase in exports from the agricultural and manufacturing sectors of the economy," the ECCB said.

During 1988, St Vincent and the Grenadines' import bill stood at EC330.1 million dollars, exceeding the previous year's level of EC63.7 million dollars. The bank said this was due primarily to a surge in consumption and intermediate goods.

The ECCB said a noticeable shift in the pattern of trade was recorded with an increase in the share of imports from the U.S. market. Trade with the Organisation of Eastern Caribbean States (OECS) and the wider Caricom [Caribbean Common Market] region increased by 23 per cent and 15 per cent respectively as both exports and imports rose. However the share of regional trade as a proportion of total trade fell from 27.3 per cent to 22.8 per cent, the ECCB report said.

Trinidad and Tobago

Prime Minister Robinson Statement on Noriega

FL3112210589 Bridgetown CANA in English
1905 GMT 30 Dec 89

[Quotation marks as received]

[Text] Port of Spain, Trinidad, Dec 30, CANA—Trinidad and Tobago wants ousted Panamanian leader, General Manuel Antonio Noriega, tried by an international tribunal of top jurists. The recommendation was made in a statement released here. The statement follows:

"Prime Minister A.N.R. Robinson disclosed today (Friday December 29) that the Government of Trinidad and Tobago had taken the initiative to advance a proposal to the parties concerned for the possible solution of the current crisis in Panama involving the former army commander and head of government, General Manuel Antonio Noriega.

The government was of the view, the prime minister said, that General Noriega should not be tried before an American court, but that allegations and charges against him should be heard by a tribunal of eminent jurists drawn from countries agreeable to all parties.

The tribunal could sit in any country, including Panama, convenient and acceptable to all parties. Once the principle of trial before an international tribunal is accepted, all relevant details could be worked out in consultation with the United Nations and the Organisation of American States.

Mr Robinson has already conveyed his proposal to the acting pro-nuncio to the Holy See in Port of Spain, Monsignor Donimique Rezeau, who called on the prime minister at his central bank tower office this morning (Friday), and to Ambassador Charles Gargano of the United States of America.

"The prime minister has also taken steps to inform the secretary general of the United Nations, Mr Javier Perez de Cuellar, and the secretary general of the OAS, Mr. Baena Soares.

On the separate issue of which Panamanian delegate to the OAS should be recognised, Prime Minister Robinson said he had instructed Trinidad and Tobago's ambassador to the OAS, Mr Angus Khan, who is also current chairman of the Permanent Council of the OAS, that the representative of the current government should be recognised only on the condition that the present regime would give an immediate undertaking to ensure the holding of free and fair elections within a reasonable time frame.

Mr Robinson said that he was awaiting reactions to his proposal."

(End of statement)

Further on Statement

FL2912224889 Bridgetown CANA in English 2222
GMT 29 Dec 89

[By Debra Ransome]

[Text] Port of Spain, Trinidad, Dec 29, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson has suggested an international tribunal of leading jurists to try ousted Panamanian leader General Manuel Antonio Noriega. A statement from the prime minister's office Friday evening said the proposal had been forwarded to the Vatican's acting representative here, Dominique Rezeau, and to U.S. ambassador to Port of Spain, Charles Gargano.

Noriega has surrendered to the Vatican's Embassy in Panama, which has resisted calls for him to be turned over to Washington to face trial on drugs charges.

The proposal from Robinson, a prominent lawyer, has also been passed on to United Nations secretary general, Javier Perez de Cuellar, and Organisation of American States secretary general, Joao Baena Soares. The Trinidad and Tobago Government, according to the statement, felt that General Noriega should not be tried before an American court, but that charges against him should be heard by a tribunal of eminent jurists drawn from countries agreeable to all parties.

"The tribunal could sit in any country, including Panama, convenient and acceptable to all parties," it said. "Once the principle of trial before an international tribunal is accepted, all relevant details could be worked out in consultation with the United Nations and the Organisation of American States."

The prime minister said he had instructed ambassador to the OAS, Angus Khan, who is also the chairman of the OAS Permanent Council, to recognise the Panamanian delegate to the OAS only on the condition "that the present regime would give an immediate undertaking to ensure the holding of free and fair elections within a reasonable time-frame". Initially, Trinidad and Tobago had said it would not recognise the government the U.S. military action in Panama last week helped to set up.

Robinson's earlier proposal for an international criminal court to deal with drug traffickers is currently before the United Nations.

Calls for Harmony

FL0201151190 Bridgetown CANA in English
1949 GMT 1 Jan 90

[Text] Port of Spain, Trinidad, Jan 1, CANA—Trinidad and Tobago Prime Minister A.N.R. Robinson called for a "spirit of harmony" here and predicted social and

economic progress in 1990 as he delivered his New Year's message to the twin-island state. Robinson also insisted that the peoples of South Africa and Panama should have access to fundamental human rights.

The prime minister described the challenges of this decade as "awesome." He identified poverty, unemployment, drugs, crime, debt, and destruction of the environment as major problems. He said that while the country would not be able to eliminate all of these challenges in the 1990's, people needed to redouble their efforts in 1990.

He praised the various religious organisations in the country for providing comfort for the needy, the aged, and the handicapped. "We have shown on numerous occasions, especially our young people, that our common humanity and other bonds which bind us are stronger than our differences and the things which seem to divide us," Robinson remarked.

"Together, we have sacrificed to move our country forward. What we have achieved is a credit to all of us. Let us continually promote the spirit of harmony among us." He continued: "Let us be united in the knowledge that such practices as to promote strife and to barricade ourselves behind narrow parochial walls have not been sanctioned in the sacred book of all our traditions."

He said that Trinidad and Tobago's young people had shown through their performances in the field of football and other areas that the country had no reason to shrink from competition with the best. "I confidently predict that by our collective effort the New Year will bring significant progress towards the achievement of our individual and national goals," Robinson said.

On Panama and South Africa, he said: "What is sauce for the goose is sauce for the gander. What holds good for the East, also holds good for the West. Hence the stand of our government on South Africa and Panama where we insist on the same fundamental human rights and freedoms for the peoples of these countries."

Last Friday, Robinson had announced that Trinidad and Tobago would recognise the new Panamanian representative to the Organisation of American States when the Panamanian Government commits itself to fresh general elections.

Invasion Criticized

FL3112203689 Bridgetown CANA in English
1604 GMT 31 Dec 89

[Text] Port of Spain, Trinidad, Dec 31, CANA—Lecturer at the University of the West Indies (UWI)'s Institute of International Relations, Dr Herb Adoo, has described the U.S. military strike against Panama as "regrettable but inevitable." "We should have seen the signs a long time ago," Adoo remarked.

Adoo said the invasion that toppled Panamanian leader General Manuel Noriega last week might be distasteful

to other countries but it would not be the last time such an incident would happen. "As to how we will handle this persistent and arrogant intrusion of the United States into the internal affairs of countries in the Western hemisphere is a very difficult issue, and is one that will persist for a long time," Adoo said. "We cannot wish this tendency away but we can manage it," he added.

Adoo was among leading figures here interviewed by the TRINIDAD EXPRESS NEWSPAPER about the military action.

Chairman of Trinidad and Tobago's Peace Council, history lecturer, Dr James Millette, said the invasion should be condemned in the strongest possible terms. "Not only is it impossible to justify this carnage in terms of the announced objectives of the United States, but the legality and morality of the invasion is itself seriously open to question," Millette said. Millette, whose Peace Council on Friday staged a demonstration outside the United States Embassy in Port of Spain, said Trinidad and Tobago must reaffirm its support for international accepted standards of national sovereignty and call upon the United States to withdraw its forces from Panama.

"I don't endorse it," UWI political scientist and head of the Institute of Social and Economic Research, Dr Selwyn Ryan, said. Ryan asserted that, even though the strategic interests of the Soviet Union were more threatened by present events in Europe, that country had exercised prudence and fair judgement. "The United States have blotted their copy book at precisely the time when they should have been enjoying the moral high ground which those events in Eastern Europe have fostered," Ryan said. He also complemented Trinidad and Tobago and Jamaica for their stance on the issue

despite their economic ties to America. The two countries condemned the U.S. action.

Head of Trinidad and Tobago's Crime Commission and a former United Nations security chief, Cecil Redman, said an international criminal court was the way to deal with such a situation. "Within such a framework, persons of the ilk of Noriega could be dealt with on the international level instead of one country taking a unilateral approach to solving what is clearly an international problem," Redman said.

A proposal along similar lines, suggesting an international group of jurists try Noriega in an acceptable country was made by Trinidad and Tobago Prime Minister A.N.R. Robinson.

Demonstrators Protest at U.S. Embassy

*FL3012230689 Bridgetown CANA in English
2157 GMT 30 Dec 89*

[Text] Port of Spain, Trinidad, Dec 30, CANA— About 20 demonstrators on Friday evening marched outside the United States Embassy in Port of Spain protesting against America's invasion of Panama. The group, organised by the left-wing Trinidad and Tobago Peace Council, carried placards and shouted anti-American statements.

United States troops entered Panama last week, ousting military leader, General Manuel Noriega. Trinidad and Tobago's Prime Minister A.N.R. Robinson on Friday suggested the establishment of an international team of jurists to try Noriega, currently seeking asylum in the Vatican Embassy in Panama City while the U.S. and Panama Governments seek him.

Foreign Secretariat Rejects U.S. Invasion

PA3112045789 Paris AFP in Spanish 0356 GMT
31 Dec 89

[Text] Mexico City, 30 Dec (AFP)—The Foreign Secretariat today issued a press release announcing that the Mexican Government, through Jorge Montano, Mexico's permanent representative to the United Nations, has reiterated its rejection of the military intervention of Panama.

Montano reiterated the Mexican Government's position during a UN meeting to discuss the issue. Montano said that "in Mexico's opinion, the intervention is a distortion of the letter and spirit of Article 51." Montano pointed out that the right to legitimate defense is recognized, "individually and collectively, if an armed attack is staged against a member of the United Nations."

Montano said that although on occasion Article 51 has been interpreted broadly to prevent or avoid indirect aggression or to protect a nation's citizens abroad, the general consensus at the United Nations is that "extensive" or "mistaken" interpretations of this article should be avoided.

After reiterating the firm condemnation that Mexico expressed at the onset of the invasion, Montano mentioned the tenets of the Estrada doctrine, "on which we base our historical position of not making pronouncements regarding the recognition or nonrecognition of governments."

Montano added: "As we have said on several occasions, the solution to the Panamanian crisis requires full respect for the free determination of the Panamanian people and the faithful observance of the letter and spirit of the Torrijos-Carter treaties."

Toward the end of his address, Montano issued a firm appeal for the withdrawal of the armed forces used in the military invasion and called for "the reestablishment of the conditions that will fully guarantee respect for the human rights and basic freedoms of the people of Panama."

Embassy: No Contacts With New Panama Government

FL2912225089 Mexico City NOTIMEX in Spanish
2210 GMT 29 Dec 89

[Report by Roberto Vivanco]

[Excerpt] Panama City, 29 Dec (NOTIMEX)—According to diplomatic sources, the Mexican Embassy has had no contact with the new Panamanian Government, inasmuch as Mexicans were evacuated through U.S. authorities.

Columba Calvo Vargas, adviser of the Mexican Embassy here, said there has been no dialogue with the new Panamanian Government. She said: We are not going to talk about politics and added: We have not approached the Guillermo Endara government since this matter is decided in Mexico by Foreign Ministry officials. Likewise, she said she did not know why U.S. Southern Command Forces are surrounding the building where the Mexican Embassy is located. The Mexican Embassy is on the fifth floor of the Bank of America Tower.

The adviser said their offices were closed during the days following the invasion but they handled the most urgent cases from the homes of the Mexican diplomats over the phone.

She said the situation in the city is returning to normal and that they are handling all matters that come to their attention as usual, including those of Mexican citizens who live here and prefer to stay in their homes now.

She also noted that the medicines sent to Panama by the Mexican Red Cross were held at Panama's Omar Torrijos Airport. She explained that the Mexican plane, which arrived in Panama yesterday to evacuate 95 Mexicans, transported medicines for the Panamanian Red Cross, which is treating those wounded during the clashes following the U.S. Army invasion.

The diplomat explained to NOTIMEX that the Mexican aid, which is now in some warehouse at the airport, will be recovered so it can reach its destination. [passage omitted]

PRD Kidnaps Two PRI Members in Michoacan

FL0201190590 Mexico City NOTIMEX in Spanish
1750 GMT 2 Jan 90

[Text] Mexico City, 2 Jan (NOTIMEX)—Members of the Party of the Democratic Revolution [PRD] kidnapped two members of the ruling Institutional Revolutionary Party (PRI) in the western State of Michoacan during the installation ceremony of new mayors.

Jose Alberto Villegas, mayor-elect for Irimbo Municipality; and Primitivo Sandoval, state government representative to the installation ceremony, were the people kidnapped. Villegas and Sandoval were taken to the city hall, which has been controlled by the opposition PRD for several weeks.

According to opposition party reports, they have taken over some 40 city halls in the state to create pressure so their victories will be recognized and the fraud committed by PRI members will be punished.

The inauguration ceremonies of PRI mayors took place in private homes and movie houses.

El Salvador**Cristiani on Resuming Relations With Nicaragua***PA0201230490 Panama City ACAN in Spanish
2205 GMT 2 Jan 90*

[Text] San Salvador, 2 Jan (ACAN-EFE)—Salvadoran President Alfredo Cristiani is waiting for Nicaragua's response to resume its relations with El Salvador, which were suspended on 26 November after the Salvadoran authorities discovered a light plane in Salvadoran territory, supposedly from Nicaragua, delivering weapons to the Salvadoran guerrilla movement.

President Cristiani told ACAN-EFE that in a document delivered to his Nicaraguan counterpart, Daniel Ortega, he makes the resumption of diplomatic and trade relations with Nicaragua contingent upon the fulfillment of the Central American peace agreements.

Cristiani said that specific points stated in the document include the nonuse of Nicaraguan territory by the Farabundo Marti National Liberation Front (FMLN) and the end of arms shipments to the FMLN.

The document was presented by Cristiani to Ortega during the Central American summit held in Costa Rica from 10-12 December.

Cristiani suspended relations with Nicaragua after the Salvadoran Army discovered a light plane with 25 Soviet-made, surface-to-air missiles supposedly coming from Nicaragua at a time when the FMLN was carrying out a heavy military offensive, which had started on 11 November.

President Cristiani indicated that the Nicaraguan Government has not replied to the document that he presented, a document that included certain conditions for the normalization of relations.

Cristiani Says Changes in Armed Forces 'Routine'*PA0301024290 Paris AFP in Spanish 0156 GMT
3 Jan 90*

[Text] San Salvador, 2 Jan (AFP)—President Alfredo Cristiani denied that there is division in the Salvadoran Armed Forces and said the changes announced 2 days ago were "routine."

On 31 December, the Salvadoran Armed Forces published an order announcing that Air Force Gen Rafael Bustillo, one of the most influential "hardline" officers in its command staff, had been discharged.

Besides Bustillo, who will be replaced this week by Gen Rafael Villamariona, other minor changes at several military garrisons were announced.

During a news conference, Cristiani refused to comment on Gen Bustillo's statements, who this week warned the

government and the Armed Forces "not to be tricked by guerrilla leaders" who wanted to attain a quota of power through the dialogue.

Bustillo, who became chief of the Air Force after a coup d'etat unseated President Carlos Humberto Romero on 15 October 1979, also accused San Salvador Archbishop Arturo Rivera y Damas and Auxiliary Bishop Gregorio Rosa Chavez of being "bad religious officials" and playing into the hands of the guerrillas.

There are commentaries circulating in political circles about a "clear division" among hardline military officers of the Armed Forces, who are part of the La Tandon group [members of the 1966 graduating class of the Captain Gerardo Barrios Military Academy] group. These officers are against reaching a peaceful solution to the conflict and talks with the rebels.

Observers agree that Gen Bustillo's discharge was prompted by the Air Force bombing of low-income neighborhoods on the outskirts of San Salvador during the recent general offensive by the FMLN [Farabundo Marti National Liberation Front].

These statements were denied by President Cristiani who insisted that Bustillo's discharge was simply a routine move within the military institution.

Bustillo on Retirement*PA0201221790 San Salvador Canal Seis Television
in Spanish 0200 GMT 2 Jan 90*

[Report by Irvin Ortiz]

[Text] The year 1989 was a year of changes all over the world. Yesterday, the Armed Forces announced General Juan Rafael Bustillo's retirement as commander of the Salvadoran Air Force. Gen Bustillo, who has been in the Air Force for 35 years, is retiring today from his post. He says the Command Staff did not pressure him to retire and that he is doing so because he wants to.

[Begin Bustillo recording] It was 3 months ago that I told the defense minister that I wanted to retire. Approximately 15 days ago, I returned to the minister's office and reaffirmed my position that it was necessary for me to leave. Again 3 days ago, I visited him to repeat my petition and get confirmation of my retirement. Thus, the retirement is by my own choice. [end recording]

Bustillo is to be replaced by General Rafael Antonio Villamariona, who is presently the deputy commander of the Air Force. Gen Bustillo entered the Air Force in 1957 and was assigned to the post of commander of the combat group. In 1979, Bustillo requested a 3-month leave, during which period a coup d'etat was carried out against then-president General Carlos Humberto Romero. Bustillo reentered the service on 15 October 1979. Since then and for the past 10 years, Gen Bustillo has held command of that military branch. The Command Staff has assigned a great deal of importance to the dialogue and negotiation process that was initiated by

former President Duarte and continues today under President Cristiani. However, Bustillo has always kept apart from this process because he considers it to be a trick against the people and the government.

[Begin Bustillo recording] I was always very fearful and doubtful of the dialogue and negotiation process. Every time I had to participate in these meetings, I told them [government officials] to be very careful, as this was all a trick. I still believe this. I do not believe I am wrong. What is more, I am sure I am not mistaken because the offensive actions against San Salvador and other important cities, prove that I was right. [end recording]

Bustillo added that his mission has not ended and that if the Armed Forces need him at any time he would return to work. The military leader said he will continue to work for a strong democracy in our country, democracy that is strong and legitimate, as legitimacy gives it force, he said. After 35 years of military service, Bustillo believes that members of the FMLN [Farabundo Marti National Liberation Front] are not the only ones who want his retirement, as persons within the military institution also wanted this to happen. However, he did not give names. The general does not believe that the Air Force is going to be jeopardized with his retirement because the officers and troops are aware of their responsibilities.

Vice President on Last Year's Accomplishments

PA0301031690 San Salvador Canal Seis Television
in Spanish 0200 GMT 2 Jan 90

[Report on statements by Vice President Francisco Merino by Nancy Perla in San Salvador; date not given—passages within quotation marks recorded]

[Text] [Perla] In assessing the country's political situation, Vice President Francisco Merino has said that the government has managed to make significant progress that helped it consolidate around President Cristiani despite the actions by the FMLN [Farabundo Marti National Liberation Front] in the political arena that range from deceit to treason.

The official said that the Armed Forces action to counter the FMLN offensive, which began on 11 November in the country's main streets, was one of the most important military achievements.

[Merino, in progress] "...military front that yielded a positive balance because of their actions and the control they have established. I must point out that their work has been difficult, because they have adhered to strict human rights provisions and current laws.

"Although they have faced treacherous and dirty aggression, the Armed Forces have displayed professionalism, avoided hurting the civilian population, and—although the terrorists infiltrated the most densely-populated urban areas—managed to dislodge them and force them

to retreat with their permanent pursuance and annihilation, as we call it in our military jargon.

"In the area of economics, we believe that the government has offered unique and perhaps unprecedented possibilities to the business and labor sectors to develop aggressive investment plans, multiply employment sources, and increase the earnings of the labor force."

[Perla] As for the Salvadoran image abroad, Merino said that more has been accomplished over the past 6 months than in previous years. He underscored the results of the most recent summit in which area presidents signed a document that expresses full support for El Salvador's efforts to face what it termed the Nicaraguan aggression and its aid for the Salvadoran rebels.

Merino added that through the Foreign Ministry, the government is waging an international political struggle, because El Salvador's image has been greatly discredited by the insurgency's disinformation campaign abroad.

[Merino] "We must bear in mind that we have been victims of a disinformation campaign for the past 10 years, that there are still ranking government officials in certain countries who have been greatly influenced by FMLN propaganda. Our diplomatic and consular corps, and Salvadorans who have assumed the role of unofficial ambassadors, are helping to improve our country's image."

[Perla] As for El Salvador's internal affairs, the vice president said that the electoral process, which was carried out within an atmosphere of legitimacy and reflected the people's will, is a determinant factor pointing toward democratization in El Salvador.

In assessing the Interior Ministry's actions, Merino said that one of its main social tasks is the repatriation of Salvadorans who have been in Honduran camps such as Colomoncagua, San Antonio, and Mesa Grande, for nearly 10 years:

[Merino] "We believe that we will have fully repatriated all Salvadoran refugees from Honduras during the first half of 1990. Over the past 2 or 3 months we have repatriated about 3,000, but that is not enough, because there are 10,000 Salvadorans in Honduras. The camps that have been established or will be established in our territory will receive permanent assistance from all service institutions in the areas of health, education, housing, and infrastructure.

"The goal is to incorporate them into regular activities in our country within the framework of the Constitution, that is, they must respect the law. We know that they are often being used as instruments by FMLN terrorists, but this will not hinder our efforts to help our compatriots improve their status and help them incorporate themselves to the country's regular activities after having been away 9 or 10 years."

[Perla] Merino also announced the creation of a food logistics office to distribute about \$60 and \$65 million in food from the World Food Program.

Msgr Rosa Chavez Assesses 1989's Developments

PA0301033790 San Salvador Canal Seis Television in Spanish 0200 GMT 2 Jan 90

[Report on statements by Msgr Gregorio Rosa Chavez, auxiliary bishop of San Salvador, by Alejandro Cubillas in San Salvador; date not given—passages within quotation marks recorded]

[Text] [Cubillas] According to Msgr Gregorio Rosa Chavez, auxiliary bishop of San Salvador, the country's political activity in 1989 was characterized by the polarization of the armed conflict produced by an intensification of violence in November. The prelate pointed out that as the eighties drew to a close, several developments changed El Salvador's political outlook. Among them, he pointed out the inauguration of President Alfredo Cristiani, resumption of the dialogue between the government and the FMLN [Farabundo Marti National Liberation Front], the guerrilla offensive, and the Jesuit priests' murder.

[Rosa Chavez] "The wall that separates Salvadorans is still very solid, and it is still difficult to knock it down. We could even conclude, after the November rebel offensive, that the wall has consolidated itself even more. However, I believe that we must view things in the proper perspective and think a little more positively.

"This past year we saw important developments. One of them was that from the very moment that President Cristiani was installed, he solemnly declared his determination to resume the dialogue. That was not all. Cristiani submitted new ideas regarding the dialogue; he proposed turning the dialogue into a process. This process was begun in September in Mexico, continued in October in Costa Rica, and was abruptly interrupted in November when the FMLN unleashed its military offensive.

"Nevertheless, the idea of the dialogue process is still there. Over the past few days, we have exchanged views with the president and FMLN representatives and have the impression that the dialogue is not dead."

[Cubillas] The Catholic priest pointed out that the FMLN offensive led Salvadorans to realize the uselessness of violence and the cruelty of war. Rosa Chavez severely criticized the FMLN for shielding themselves behind civilians during their attacks and also criticized the Air Force military operations.

[Rosa Chavez] "Our opinions about the FMLN actions and the Armed Forces' reaction to them are well-known to all, but I feel that it is advisable to recall them in this assessment. We said that the offensive was not unjustified, but useless; that the Armed Forces' reaction was

excessive, especially the Air Force bombing of densely-populated areas; and that FMLN members committed the grave mistake of shielding themselves behind the civilian population. We underscored that the national radio network exacerbated the people and poisoned their minds. Behind this backdrop, the detestable murder of six priests was carried out."

[Cubillas] In the ecclesiastic realm, the clergyman pointed out that the past year constituted a pastoral challenge to make progress in their evangelical commitment to helping the poor.

[Rosa Chavez] "The church was very active during the past year. It has added new members to its bishopric. We lost a bishop, Msgr Di Pietro, a very loved man and a true pastor. Msgr Jose Adolfo Mojica, parish priest of Coatepeque, Santa Ana Department who will be ordained as bishop on 20 January, will replace him. Over the past year, the church also focused on its evangelical mission; the laymen have increasingly committed themselves."

[Cubillas] According to the bishop, 1989 could be graphically viewed as an oil painting of a winter afternoon. However, despite the dark horizon and uncertain future, he said that we must never give up hopes of achieving peace. For Rosa Chavez, 1990 must be the year of peace, but to bring it about, he added, all Salvadorans must work toward achieving reconciliation, justice, and freedom.

Clashes Reported in La Libertad; 13 Casualties

PA0201175590 Panama City ACAN in Spanish 1636 GMT 2 Jan 90

[Text] San Salvador, 2 Jan (ACAN-EFE)—A military spokesperson today reported that 10 guerrillas and 3 soldiers were killed in clashes between Farabundo Marti National Liberation Front [FMLN] rebels and Salvadoran Army soldiers at a farm in La Libertad Department, in central El Salvador.

The source said that 20 FMLN rebels were also wounded during clashes on 1 January.

These armed clashes occurred on the day before the military truce, declared by the FMLN rebels on 23 December, ended. The truce, declared on the occasion of the Christmas and New Year's holidays, should have ended today at midnight.

According to the Armed Forces, with these 13 new casualties, the number of soldiers and rebels killed now totals 50.

The Army has accused the FMLN of disregarding the truce they, themselves, declared.

Nicaragua

President Ortega Gives Year - End Address

PA3112221589 Managua Domestic Service
in Spanish 1804 GMT 31 Dec 89

[Address by President Daniel Ortega Saavedra; date and place not given—live or recorded; broadcast in progress]

[Text] These are the last days of 1989. This concludes what has been the decade of the eighties, a decade that has shaken the world with acts of violence and acts that fill us with hope. The world has not ceased to experience these inconsistencies since the day Cain killed Abel.

The eighties have been a decade during which the economic problem and inflation seriously affected the economy of the developing countries, especially the Latin American and Caribbean countries. The eighties are ending, and there is much economic tension throughout Latin American and the Caribbean. The information is there to see; all we must do is read about what is happening on a daily basis to realize that the serious problem experienced by the economies of Latin American and the Caribbean is strongly linked to the unfair international economic order that continues to be defended by the United States.

Internally, here in Nicaragua, we are closing the eighties with 61,203 victims of a war imposed by the United States of North America. Of those 61,203 victims, 30,396 are Nicaraguans murdered by the terrorist policy of the North America leaders. We are ending the eighties with a very difficult economic situation, but with hope, because since 1985 we have been implementing an economic plan that has brought positive results in 1989. We expanded this economic plan in 1989 and this has allowed us to curb the process of hyperinflation in Nicaragua. In 1989, our inflation rate was of approximately 1,689 percent—compared to 1988 when our inflation rate was 33,600 percent. This means that the economic adjustment policy we have been applying in Nicaragua has had positive results.

We are ending the eighties with 61,203 victims of war, but there is also hope that peace will soon come to Nicaragua. We must stress that during this decade we have defended ourselves by combining, first, the country's military capacity ... [changes thought] A country that does not know how to defend itself will have people eternally subjected to slavery and the Nicaraguan people have always proven themselves to be brave people, people who know how to defend themselves, people who know how to fight. The Nicaraguan people are not cowards. The Nicaraguan people have been fighting since the Spaniards set foot in Nicaragua. Diriangen and Nicarao fought the Spaniards who came to colonize our country. The Nicaraguan people continued to fight when [William] Walker invaded Nicaragua. It is appropriate to recall those Nicaraguans on a day like today. They set aside partisan attitudes and acted like Nicaraguans. They confronted the Yankee intervention. These are

people we cannot forget because our enemy during the past century is the same enemy we have today.

That enemy has not stopped trying to incite war against the Nicaraguan people, but we have defended Nicaragua with the heroism of Nicaraguan fighters, youths, peasants, mothers, and all the Nicaraguans who have behaved in a patriotic manner. Thanks to them, we can say that we are closer to peace. Without our country's military defense capabilities, it would not have been possible to reach the agreements that the Central American presidents reached on a historic date in August 1987.

After a lengthy negotiation process during the eighties, a Latin American group was formed, the Contadora group, which worked in favor of peace and later passed the torch of the peace effort to the Central American presidents, who took the torch and finally signed a historic agreement on 7 August 1987.

This agreement was achieved, thanks to the Nicaraguan people's unyielding firmness, thanks to the Nicaraguan people's military defense capabilities. Without this defense capability, the agreement would never have been signed and our country would be subjected not only to the aggressive and terrorist U.S. policy of using mercenary forces and embargoes, but to the U.S. policy of invading Nicaragua with its troops, which would long since have taken place. If the Yankees did not invade Nicaragua this time, it was because they were convinced that they would face the resistance, heroism, firmness, and combativeness of all the Nicaraguan people.

It is this substantive element, the Nicaraguan people's defense capability, their right to arm themselves—having been subjected to aggression by the imperialist power—that gave us the strength to work in the political and diplomatic field, and not just within the Contadora group, but with great flexibility, greater than that of any other Central American country, to reach important agreements like those signed in August 1987.

These agreements brought new political opportunities for the Central American region, and brought hope not only for Latin America, but for the European Community, Eastern and Western countries, the American people, Third World countries, and the entire international community. At that time, I received the international community's support, I personally received the international community's support and its acknowledgement of the Nicaraguan government's firm but flexible attitude. Nicaragua's is a firm, mature, responsible attitude designed to strengthen the peace process and counter the U.S. leaders' warmongering desires.

Therefore, The eighties have been full of these contradictory elements. While the aggressive U.S. policy brought death, war, and violence to the Central American region, the Nicaraguan revolution struggled for the independence and self-determination of the Central American people, as well as the people of all of Latin America and the Caribbean.

I remember quite well that, during talks with Latin American and Caribbean presidents and leaders, they told me that the struggle in favor of peace in Central America and Nicaragua, was actually a struggle in favor of peace in their own countries—because they know that a blow dealt against Nicaragua is a blow dealt against Latin America, a blow dealt against all the Latin American people, and a blow dealt against the political opportunities that have arisen in Latin America since the triumph of the Sandinist revolution.

Nicaraguans feel proud, and I feel proud as president of the Nicaraguans, about this decade, when Nicaragua became a vanguard of the struggle for democracy in Latin America. When the revolution triumphed in Nicaragua there were military dictatorships—imposed by the U.S. rulers—in Chile, Argentina, Uruguay, Haiti, Honduras, Guatemala, El Salvador, and Paraguay. In other words, we had several military dictatorships supported, financed, and backed by the United States of America. The dictatorships fell, one by one, after the Nicaraguan revolution triumphed.

The Nicaraguan revolution shook the consciences of Latin America and the Caribbean. The Nicaraguan revolution created expectations in the Latin American and Caribbean people's struggle. The Nicaraguan revolution proved that changes in favor of justice and democracy were possible, no matter how small the nation. This led to other processes and democratic opportunities in nations like Brazil. Until the Nicaraguan revolution triumphed, these nations were dominated by military dictatorships that had been imposed by the U.S. rulers.

Democratic opportunities were possible in all these countries—Brazil, Argentina, Uruguay. I was proud to represent Nicaragua, as its president, in all these countries—where the Nicaraguan representative was welcomed with affection, because the country was the vanguard of democratic opportunities in Latin America and the Caribbean. The walls of the dictatorships fell, one by one, in Latin America and the Caribbean. Democratic opportunities were created after Nicaragua broke through late in the seventies, on the eve of the eighties, with a victory that really shook the very foundations and minds of the Latin American and Caribbean people.

The Latin American leaders who emerged in those countries in this battle for democracy, who brought democratic opportunity to those countries, who brought political opportunity to those countries, have expressed their constant concern because democracy cannot be separated from economic issues. One cannot view democracy solely from a political and electoral point of view, and democracy cannot be viewed solely from the existence of political parties. Democracy must be closely linked to a just economic and social order. Therefore, democracy must also be linked to domestic economic development and international economic relations. This is where we clash with ... [changes thought] This is where all the people and governments of Latin American and the Caribbean converge. This convergence is above

ideological differences, this convergence is above ideological and philosophical positions because this is a matter of survival for the Latin American nations. This is why this convergence, this agreement is so important. This need to find a point of agreement has resulted in a new dialogue in Latin America; this dialogue was against the wishes of the United States. The blockade imposed by the United States against some nations was broken and the Latin American dialogue—among leaders, political forces, and parties—has been achieved. We reached an agreement regarding the economic issue and we are convinced that if a new international economic order is not established, if powerful countries do not end their protectionist policy, and if the foreign debt problem is not solved, the democratic opportunities that are now opened in the political sphere will be reclosed in a short period of time and chaos will come to Latin America. We will again be confronted with the Latin American people's rightful demands and struggles, as they will embark on any kind of struggle to change the legacy left to them by the uncompromising attitude of the United States. This decade of the eighties can be summarized as a decade in which the Nicaraguan people were subjected to the harshest rigors of the U.S. interventionist and aggressive policy; however, this did not make the Nicaraguan spirit yield. It did not frighten the Nicaraguan people or make the Nicaraguan people hesitate. It not only managed to preserve, but consolidated support for this historic proposal for a multiparty, mixed economy, non-aligned system. The eighties close with a Nicaragua that is full of hope, because we are convinced, I am convinced, all Nicaraguans are convinced, that we are closer to peace. Nicaraguans as a whole are also convinced that the U.S. policy against Nicaragua has failed and officials have still not decided to allow the stabilization of relations between the United States and Nicaragua.

In the economic field, we have managed to control hyperinflation. That could only be possible with people having a high level of responsibility and with a government that the people can trust. There has been good communication between the people and government over the past 10 years, which has been the basic formula that has guaranteed ... [changes thought] that has enabled us to implement economic plans. Those plans have been discussed with the people, who have supported them. Those plans have benefitted all the economic and social groups in our country. However, the quota of sacrifice has been high, particularly in the state budget. This decade of the eighties is coming to an end, but there is hope for the world, especially for Third World countries, despite the trampling attitude of the U.S. leaders, who invaded Panama on 20 December 1989.

Some positive aspects must be considered as we close the decade. There is detente between the USSR and the United States. The effects of the peace agreements between those two nations are in fact very important, because they give assurances to the world that it is possible to work toward disarmament. Undoubtedly, there are still many atomic weapons scattered all over

the world, enough to destroy the world many times. Therefore, we cannot yet feel safe. No one can feel safe as long as there are atomic weapons capable of destroying all of mankind.

We cannot feel safe either as long as the current unjust economic order exists, which causes as much harm, deaths, and victims as those atomic weapons would if they were used by the superpowers that have them.

The peace agreements allow Third World countries to struggle harder to end the policy of force. The Soviet Union has set an example that really should be followed. It has acted with great flexibility. Examples can be seen everywhere in East European countries. The Soviet Union has renounced the use of force, has withdrawn its troops from Afghanistan, and has not used force to influence the decisions of the people of the GDR, Poland, Czechoslovakia, or Romania—although the Romanian Government was close to the U.S. leaders and the only one that allowed U.S. ships, U.S. warships, to reach its ports. The Soviet Union has been respectful of the sovereign decisions by the people of East European countries. No one can say that Soviet troops intervened in East European countries, despite the violent events that took place when the people of those countries demanded changes.

By contrast, the United States continues to act with a policy of force. It continues to intervene in Latin America and the Caribbean, which it considers its area of strategic influence. Latin American, Caribbean, and Third World countries must cling to the rights of our nations. Precisely, there was unanimous acceptance at a recent UN General Assembly to accept the proposal designating the nineties the decade of peace and international rights. Nicaragua presented the proposal, which was backed by the Nonaligned Movement countries. I personally presented this proposal at the Nonaligned meeting held in Belgrade, where it was accepted. Later it was presented at the UN, with the backing of European countries, who immediately supported it. Industrialized, West as well as East, European nations supported the proposal. The Soviet Union backed the proposal immediately and it had ample support when it was discussed at the UN. In the end, even the United States supported it. So, it had unanimous support.

The proposal's acceptance is a victory for Nicaragua as, during the eighties, Nicaragua managed to rescue trust in international rights when it went to the International Court of Justice and obtained the historic sentence against the United States for its policy of aggression against Nicaragua. It was, thus, Nicaragua, with its austere force, that raised the banner of international rights that has generated greater support to resolve conflicts in different areas around the world.

Finally, at the close of the UN General Assembly, the decade of the nineties was declared a decade of peace and international rights. This action is designed to

guarantee respect for current international laws. In other words, to put an end to intervention around the world.

The U.S. attitude is, of course, ironic and contradictory, and it appears somewhat false. Days earlier it had supported the UN proposal, and on 20 December its troops invaded Panama. Nevertheless, we will not give up on the United States' pledge made when it signed the agreement at the United Nations.

All nations of the world agreed to declare the nineties a decade of peace and international law. This agreement calls for respect for the law among nations, for respect for the international legal order so that there are no more interventions on the face of Earth. To change the international legal order, one must take into consideration that when it was established after World War II [word indistinct] United Nations, it was an international legal order that favored the powerful nations and placed all other nations on Earth in a secondary category. Therefore, we cannot talk about an international legal order that is really just. Instead, we have an unequal and unjust international legal order.

Therefore, when we say that the nineties will be a decade of peace and international rights, we are not only talking about guaranteeing respect for the current international legal order, but of modifying the current order so that we will in fact have an international legal order in which all the nations of the world have the same duties and rights. This should be regardless of the size of a nation and regardless of its military and economic strength. All the nations of the world should have the same rights and duties.

We should welcome the year 2000 with this in mind. We hope that the year 2000 finds mankind walking toward reasonable and just relations. When we talk about a new international legal order, we are also talking about a new economic and social order, because we cannot conceive of an international legal order in which developing nations are economically discriminated against, exploited, and sacked.

We Nicaraguans, including myself as president of all Nicaraguans, welcome the year 1990 with faith in the future, with confidence in the future, and with confidence in people who also have faith in God. Therefore, we know that it is possible to move ahead despite the difficulties.

They know it is possible to wage a battle even under unequal conditions. The people know sacrifice is worthwhile when there is a loftier cause, when one is defending justice, liberty, independence, self-determination, sovereignty, and the dignity of all Nicaraguans and the fatherland. I feel that 1990 will be a key year in the nineties for the stability of all Nicaraguans. That is why 1990 will be called the year of peace and reconstruction. All Nicaraguans who are truly patriotic and conscientious will do away once and for all with the war imposed by the United States, which continues to inflict casualties among the people.

The year 1990 will be the year of peace and reconstruction because I am convinced that peace, something for which I have been striving as president of all Nicaraguans and something for which all of us have been striving, will be definitely achieved in 1990. We will have better conditions for rebuilding this country with all of Nicaragua's real, economic, political, and patriotic forces. We are going to devote all of our strength to burying war, achieving peace, and raising the economy. We are going to use all our forces, all of us Nicaraguans—men, women, elderly people, young people, and children. We are going to join our prayers, we are going to join our hopes, we are going to join our actions to move this country ahead, to consolidate Nicaragua's sovereignty, self-determination, and independence. That is the most cherished thing Nicaraguans have. That is the most cherished thing that we have won since 19 July 1979, and that is what enables us to work to improve health, education, services, and land exploitation to improve private production, as well as state production in the cooperatives, and to promote handicrafts, sports, culture, the arts, and small industries and larger industries.

In 1990, which will be a year of peace and reconstruction, I want to invite all Nicaraguans, all those who consider themselves Nicaraguans and think as Nicaraguans, those who have their heart and blood in Nicaragua, those who feel like the brothers of those who were born and raised in this part of Latin America, I want to invite all of you brothers to work to achieve total peace, and to lift our country's economy. We must improve our country's economy; we must improve our people's health by giving them better health services; we must improve our people's education by improving our educational services; we must improve the electrical and water services for our people; we must improve agricultural and industrial production for our people.

This is possible and it will be done, because all during the eighties, all of you Nicaraguan brothers have had faith in God and in the people, because God is where the people are.

Our people have been defending the revolution, they have been defending our fatherland, national dignity, sovereignty, self-determination, and social achievements; our people have been defending their rights to peace, life, and resurrection after 10 years of martyrdom and sacrifice. The Nicaraguan people, all of us, at the end of the eighties, 10 difficult, violent, sacrificed years, in which the Nicaraguan people have suffered like Christ on the cross, like Christ at Calvary, the Nicaraguan people are also being reborn and will be reborn in peace [word indistinct] and will experience economic recovery during the decade of the nineties.

The year 1990, the year of peace and reconstruction, will be a year that all Nicaraguan brothers will undertake with firmness, optimism, joy, and confidence in the future.

Today we are closing the eighties and entering the nineties with the slogan: 1990—the year of peace and reconstruction. I am sure Nicaraguan brothers that all of you recognize the heroes and martyrs who fell during this decade as the men and women of the decade.

If we must mention the men and women of this decade, if we must give recognition, honor, and credit to men and women in the eighties. I, as the president of all you Nicaraguan brothers, give that merit and honor to the thousands of men and women, unsung heroes, elderly people, young people, and children, who gave their lives to defend the sovereignty of our fatherland, Nicaragua, and to defend our fatherland's economic and social betterment. Women deserve this recognition. I mean those heroic women who gave their lives. The men who deserve our recognition in this decade—men, women, and children of this decade—are those who died so that all of us may now build a future filled with hope and optimism.

If we must recognize those who have not died, we must give our recognition to Nicaragua's heroic mothers. They are Nicaragua's mothers. They are the heroic mothers, mothers of heroes and martyrs, mothers of soldiers, mothers whose sons are at the battlefield, defending the fatherland and the rights of all Nicaraguans—even those whose stances opposed the country's interest—to spend their Christmas and year's end holidays in Nicaragua. To those heroic mothers whose eyes tell us of their suffering, and their optimism as well, to those heroic mothers, I pay tribute today and pay tribute to them as the women of the eighties. These women not only deserve the respect of the people of Nicaragua, but also of the people of the world. Thank you, Nicaraguan brothers.

Results of U.S. Raid on Residences in Panama

Ortega Summons OAS, UN

PA0201221590 *Managua Radio Sandino in Spanish*
1946 GMT 2 Jan 90

[Text] Nicaraguan President Daniel Ortega Saavedra announced this morning that Nicaragua will summon the OAS Permanent Council and the UN Security Council to denounce the raid on the residence of Nicaraguan Ambassador in Panama Antenor Ferrey and abuses committed by U.S. troops against the Nicaraguan mission and citizens who were in Panama when the invasion took place.

[Begin Ortega recording] The comrades in Panama have the general order not to allow U.S. troops invade the embassy or the ambassador's residence. Before, that order was only meant for the embassy but has now been extended to the residence. I say this because we think the risk exists that this incident may be repeated. The day [words indistinct] raid on (?the residence) of the Nicaraguan ambassador in Panama. These are very serious incidents, and the Nicaragua response to expel 20 U.S. officials and to reduce the personnel serving the U.S.

Embassy is truly a moderate response. The reaction was in line with the brutal incident and risks the U.S. action caused at that time.

I have said this has been the most critical moment we have experienced in the conflict between the United States and Nicaragua, a conflict the United States has abetted for 10 years against Nicaragua. The Nicaraguan Government is again going to protest to the U.S. Government about the raid on the home of the Nicaraguan diplomat on 31 December. We also recalled our ambassador in Panama because we have summoned a meeting of the OAS Permanent Council to inform it about the situation in Panama. The ambassador will go to the OAS with all the information to denounce this action.

We will also summon a meeting of the UN Security Council to denounce this action. These incidents are so delicate they call for an international diplomatic action that will compel the U.S. government to respect international law on relations between states, since they are attacking the Panamanian state; they invaded the Panama state. This is an unadmissible situation, and we cannot let them repeat what happened in Panama—invasions of other states by invading their diplomatic missions—and to threaten other states.

They have also been threatening the Vatican mission. They have been threatening it with all the actions carried out against that mission, against the Cuban Embassy, and other embassies, as well as against other places such as the Spanish news agency EFE. A Spanish news agency service has been invaded by U.S. troops. We must protest that a Nicaraguan citizen was killed during the invasion of Panama. Over 200 Nicaraguans were trapped; they remained hostages of the U.S. troops in Panama when the invasion took place. [passage indistinct] We cannot adopt a passive stance. I cannot adopt that stance just because U.S. President Bush said it was a mistake, since that mistake could have cost the lives of U.S. soldiers and the Nicaraguans who were at the residence. It could also have cost the lives of more U.S. soldiers and Nicaraguans because it could have turned into a war between the United States and Nicaragua.

This is not just a mistake. The really big mistake of the United States was to invade Panama. By invading Panama, they are invading the [word indistinct]; they are invading Latin America, the peace effort of the peoples of the world, and the spirit of peace of the international community. They are invading them with this arrogant action in Panama. Thus, Nicaragua summoned a meeting of the OAS Permanent Council for 4 January. However, the U.S. Embassy and government have not granted a visa to Ambassador Ferrey. This is yet another abuse, since Ambassador Ferrey is not just going to the United States, he is going to the OAS and the United Nations. The United States is hampering this by not granting a visa for Ambassador Ferrey to go to the OAS and the United Nations. We also want to denounce this. In addition, we want to denounce two ... [interrupted by radio station commercial] [end recording]

Ortega Notes UNO Lack of Criticism

PA0301001090 Paris AFP in Spanish 2313 GMT
2 Jan 90

[Text] Managua, 2 Jan (AFP)—Nicaraguan President Daniel Ortega announced today that he has called an "urgent" meeting of the UN Security Council to discuss "the serious regional situation," following the charge that U.S. troops raided the home of three Nicaraguan diplomats in Panama on 31 December.

Ortega announced that his government has filed a formal protest to the United States and issued new instructions so that, hereafter, Nicaraguan diplomatic personnel "will not permit any more violations of our national sovereignty in Panama, regardless of whether it is an embassy or the homes of our representatives."

On 29 December, U.S. Army troops raided the home of Antenor Ferrey, Nicaraguan ambassador to Panama. This prompted a response by Managua, which expelled 20 diplomats from the U.S. Embassy in Nicaragua. Also, Nicaragua has requested a meeting of the OAS Permanent Council to be held on 4 January. The Nicaraguan president also charged that the U.S. Embassy in Managua has denied visas to the Nicaraguan ambassador in Panama, who has been designated to submit the protest of the violation of his home before the United Nations and the OAS. Ortega criticized the Salvadoran Government, which was the only Central American government that supported the U.S. invasion of Panama at the United Nations.

"One must ask whether the position of El Salvador means that it is disavowing the spirit of the agreements signed by the presidents in Costa Rica," the Nicaraguan president said, alluding to the last Central American summit in which the presidents repudiated the use of force and violence as a means of solving conflicts.

Also, he criticized the National Opposition Union (UNO) and the newspaper LA PRENSA for not condemning or criticizing "the abuse suffered by Nicaragua in Panama." "We have not heard any criticism from them, which goes to show that there are people here who do not act like Nicaraguans; one can belong to the opposition and be a harsh critic, but that should not be an obstacle to defending national interests," Ortega stated.

The Nicaraguan president said that the UNO and LA PRENSA "have not had the shame to denounce these violations of our national sovereignty."

Regarding the resolutions issued by the United Nations and the OAS on the invasion of Panama, Ortega stressed that "the Latin Americans must wage the battle to ensure that the United States complies with these historic resolutions."

Chamorro Condemns U.S. Raid

PA0301024990 Paris AFP in Spanish 0135 GMT
3 Jan 90

[Text] Managua, 2 Jan (AFP)—Nicaraguan opposition candidate Violeta Barrios de Chamorro today condemned the 29 December raid by U.S. troops on the residence of the Nicaraguan ambassador in Panama and made an appeal for "calm, peace, and reconciliation."

In a letter published in her newspaper, LA PRENSA, the National Opposition Unity (UNO) candidate said that such actions create tension "in relations between the United States and Nicaragua and provide an excuse for the Sandinists to continue their dangerous campaign of harassment against the opposition."

This morning Nicaraguan President Daniel Ortega lashed out at UNO and LA PRENSA for not condemning or criticizing the raid against the residence of the Nicaraguan ambassador in Nicaragua. "That attitude reveals that sectors here do not think like Nicaraguans," Ortega stated.

In the wake of the U.S. invasion of Panama on 20 December, Ortega described UNO leaders as "pro-U.S. turncoats," because they did not condemn the U.S. invasion. In her letter, Barrios de Chamorro recalled that over the past few days, there have been reports of "a number of death threats against UNO leaders, and, should they come to pass, it could lead the country into another civil war."

Two Additional Residences Raided

PA0301003090 Hamburg DPA in Spanish 2347 GMT
2 Jan 90

[Text] Managua, 2 Jan (DPA)—The Nicaraguan Government today reported that the residences of two Nicaraguan diplomats in Panama were raided by U.S. troops, who destroyed some goods and took some of the diplomats' belongings with them.

Nicaraguan President Daniel Ortega advised reporters in Managua of the action and stated that the residences of diplomats Omar Pineda and Maria Teresa Lopez were invaded by U.S. soldiers yesterday, 1 January.

Ortega strongly criticized the attitude of the U.S. occupation forces in Panama, which last Thursday, 28 December raided the residence of Nicaraguan Ambassador to Panama Antenor Ferrey. As a result of that action, the Managua government expelled 20 U.S. diplomats from Nicaragua, thus reducing the U.S. diplomatic representation in Managua to 100 people.

In addition, Ortega said that relations between Managua and Washington have deteriorated as a result of the incidents and its consequences.

The Nicaraguan Foreign Ministry is making efforts to obtain—through the OAS—a U.S. visa for Nicaraguan

Ambassador to Panama Antenor Ferrey, who is currently in Managua, so that he can travel to Washington to participate in the special OAS session that Nicaragua called to denounce the abuses that took place at the residences of the Nicaraguan diplomats living in Panama.

U.S. Denied Visa To Ambassador

PA0201193890 Panama City ACAN in Spanish
1836 GMT 2 Jan 90

[Text] Managua, 2 Jan (ACAN-EFE)—Nicaraguan President Daniel Ortega said today that Washington has refused to grant a visa for Antenor Ferrey, Nicaragua's ambassador to Panama, to travel to the United States to attend the OAS meeting called by the Nicaraguan Government.

"The U.S. Government is trying to prevent our Ambassador Ferrey from going to the United Nations (New York) and the OAS in Washington, Ortega said in a press conference at the Foreign Ministry building.

Ortega made these charges at the end of a meeting with Ferrey, who arrived in Managua on 31 December from Panama, where U.S. troops who invaded that country on 20 December searched the ambassador's residence on 29 December.

Ortega said that Nicaragua has called a special session of the OAS Permanent Council for 4 January to discuss the "unjustifiable and illegal violation by U.S. troops of the Nicaraguan ambassador's residence in Panama."

After the incident, the Managua government expelled 20 diplomats and reduced service and administrative personnel at the U.S. Embassy in this capital from 320 to 100.

Ortega: No Discussion With Vatican on Noriega

PA0201232490 Panama City ACAN in Spanish
2256 GMT 2 Jan 90

[Text] Managua, 2 Jan (ACAN-EFE)—Nicaraguan President Daniel Ortega asserted today that the case of General Manuel Antonio Noriega, who sought refuge at the Apostolic Nunciature in Panama 10 days ago, "has not been discussed by the Vatican authorities with the Nicaraguan Foreign Ministry in Managua."

Ortega answered in those terms during a news conference held in Managua when a reporter asked him, if to solve the case of Noriega, who is a "guest" [acogido] at the Nunciature in Panama, he would be willing to provide refuge status to the one who was once the "strong man" of the previous Panamanian regime.

Ortega stressed: "That (Noriega's case) is being discussed directly by the Vatican and the troops that occupy and govern Panama."

Noriega, who has been at the Vatican Embassy in Panama since Christmas, remains in it as a refugee.

Noriega is waiting for the Vatican, the Panamanian Government, and the U.S. authorities to reach agreement on his fate.

Ortega Sends Castro Congratulatory Message

*PA0201160990 Panama City ACAN in Spanish
1441 GMT 2 Jan 90*

[Text] Managua, 2 Jan (ACAN-EFE)—The Nicaraguan Presidency reported today that President Daniel Ortega sent a congratulatory message to Cuban leader Fidel Castro for the 31st triumph of the revolution anniversary on that Caribbean island.

In the message, Ortega sent Castro a "fraternal embrace that characterizes our exemplary and strong friendship," and added "his respect for the heroic Cuban people and its revolutionary leadership."

"During these times of hard tests for Latin America, Nicaragua expresses its faith on the final triumph of the just cause it defends, its respect for both the peoples' sovereignty and self-determination, and international legal order, which is basic for attaining peace and stability between nations," the message from Ortega to Castro ends.

Rebels Reportedly Kill Nuns, Wound Bishop

*PA0201193090 Paris AFP in Spanish 1840 GMT
2 Jan 90*

[Text] Managua, 2 Jan (AFP)—The state-run La Voz de Nicaragua radio station has reported that three nuns were killed and Bluefields Auxiliary Bishop Pablo Smith wounded today when they were ambushed by groups of anti-Sandinist rebels in the mining town of Rosita, approximately 300 km north of Managua.

La Voz de Nicaragua said that the attack occurred at approximately 0930 when the bishop and his party were driving through the area.

Government Communique Issued

*PA0201231190 Managua Domestic Service
in Spanish 2210 GMT 2 Jan 89*

[Communique issued by the Press and Information Directorate of the Presidency in Managua on 2 January—read by announcer]

[Text] The Press and Information Directorate of the Presidency announces to the Nicaraguan people and to the international community that according to preliminary reports, on 1 January at 1930 [time as heard], a group of counterrevolutionary mercenaries—financed by the U.S. Government—ambushed members of a religious group headed by Msgr Pablo Smith, bishop of the Bluefields Apostolic Vicariate, in a place known as Ojo de Agua, located between (Aranchamba) and Coperna, in the Northern Atlantic region. This action resulted in the death of nuns Maureen Courtney, an American citizen, and Teresa Rosales Misquita. Bishop

Pablo Smith and Francisca Colomer Misquita were seriously wounded. This is part of the escalation of violence by the U.S. Government, which invaded Panama and conducted a military incursion into the home of the Nicaraguan ambassador in that country.

The Nicaraguan Government condemns these serious incidents, which endanger the peace efforts conducted by the Central American presidents and supported by the Nicaraguan people. Nicaraguan President Daniel Ortega Saavedra calls on the international community and on the country's political and social forces to condemn this brutal crime perpetrated against religious people. This action is similar to the assassination of the six Jesuit priests perpetrated in San Salvador on 16 November 1989 by the Salvadoran Army, which just as the counterrevolution and the other rightist Nicaraguan forces, defends the aggressive policies of the United States.

Managua, 2 January 1990.

U.S. Blamed for Incident

*PA0201222290 Panama City ACAN in Spanish
2116 GMT 2 Jan 90*

[Text] Managua, 2 Jan (ACAN-EFE)—The Sandinist Government today held the United States responsible for the death of two nuns, one U.S. and one Nicaraguan, during an attack conducted by the contra movement in the Nicaraguan North Atlantic region.

Nicaraguan Government spokesman Manuel Espinosa said in a communique that this "action is part of the U.S. escalation of violence, which began with the invasion of Panama and continued with the search of the Nicaraguan ambassador's residence in Panama City.

In the communique, Espinosa stated that this "action jeopardizes the regional peace process." The communique also calls on the international community to condemn this "brutal crime, which is similar to the one carried out by the Salvadoran Army against six Jesuits" on 16 November.

U.S. nun Maureen Courtney and Nicaraguan nun Maria Teresa Rosales were killed in the ambush.

According to the Sandinist Government spokesman, Bluefields Auxiliary Bishop Pablo Smith was "seriously injured" in the attack, in addition to Nicaraguan nun Francisca Colomer.

The armed action was carried out the night of 1 January when a contra commando of 10 to 15 men ambushed the vehicle in which the nuns and the bishop were traveling between the towns of La Rosita and Siuna, in the North Atlantic Nicaraguan region.

The nuns who were killed belonged to the Santa Ines Sisters Order. U.S. nun Maureen Courtney, 42, had been living in Nicaragua for approximately 20 years.

RN Denies Responsibility

PA0301011790 Madrid EFE in Spanish 2346 GMT
2 Jan 90

[Text] Miami, 2 Jan (EFE)—The Nicaraguan Resistance [RN] today denied links between the contra movement and the death of two nuns who were killed during an attack carried out in Bluefields along the Nicaraguan North Atlantic.

After learning the details of the attack, Aristides Sanchez told EFE today that "the RN has never resorted to the use of force against civilians, much less against members of the church."

Sanchez, who was an RN leader and is currently participating in the civic-military committee organized by the contra movement, added that "this is the strategy that Sandinism has always used, to then blame the contras."

The report dated in Nicaragua says that U.S. nun Maureen Courtney and Nicaraguan nun Maria Teresa Rosales were killed in an armed action that took place between the towns of La Rosita and Siuna along the Nicaraguan North Atlantic today.

Sanchez stated: "We do not have any troops in that area. There is only an autonomous Miskito group there, as far as we know."

Sanchez added: "All of that story seems fabricated by the Sandinist regime, with the intention of creating more pressure for the dismantling of the RN forces as the date of discussions for the approval of humanitarian aid for the Nicaraguan Pro-Freedom Movement [Movimiento Nicaraguense Pro-Libertad] draws near."

The U.S. Congress will begin discussing the approval of \$47 million in aid for the anti-Sandinist forces in February.

UNO Presidential Candidate Chamorro Breaks Leg

PA0301002390 Managua Radio Corporacion
in Spanish 2338 GMT 2 Jan 90

["Communique" issued in Managua on 2 January by the Office of Press and Information of the National Opposition Union, UNO, in Managua on 2 January—read by Mauricio Aleman]

[Text] The UNO campaign leadership advises the public that today, 2 January, our presidential candidate Violeta Barrios de Chamorro suffered a fall which caused a fracture to her right leg. The fracture is not serious, but does require surgery. For this reason, Mrs Chamorro will go to Houston and will not be present during the rallies with you for a short time.

Mrs Violeta Barrios de Chamorro has asked us to tell the Nicaraguan people that she trusts that the electoral campaign will not suffer any interruption and hopes that the same civic spirit will be maintained until she can return to take up the campaign again.

*** Effects of U.S. Embargo Analyzed***** 'Economic War' Continued**

90EM0052A Managua BARRICADA in Spanish
6 Nov 89 p 4

[Text] In May 1985, Nicaragua's great technological and commercial dependence on the United States was turned overnight into a destructive instrument as powerful as or more powerful than the rockets launched at coffee plantations, at the tanks of Corinto, or at agricultural cooperatives.

While the counterrevolution was devoted to physically destroying the productive structure, the embargo imposed by the Reagan administration that month began to undermine the foundations of the economy, slowly but powerfully.

The two faces of economic aggression, the military assault and the commercial and financial boycott, combined to cause tremendous damage not only to the country's productive plans and exports, but also in terms of the standard of living and the very survival of the populace. The aim was to achieve political repercussions.

That year, when the intensity of the battles was of primary concern to the revolutionary government, the U.S. administration dealt a low blow to the economic rearguard by cutting off international financial sources and suddenly closing its market to Nicaragua. This also meant a cutoff of vital supplies not only for agricultural and industrial production, but also for the people's food, health, and education.

To date, the Yankee embargo alone has cost the country \$1.092 billion in economic losses, but the most serious effect has been the blow to the productive and commercial structure. This impact has been difficult to overcome, given that technological adaptation and the opening of new markets require long periods of time and abundant financial resources.

A few days ago, this method of strangling the Nicaraguan people was renewed by President Bush when he extended the State of Emergency that authorizes the U.S. Government to take measures to guarantee the "security" of the United States and that served as the basis of the embargo declaration.

The ratification of the blockade next May will be just an executive decision, because the "State of Emergency" justifying it has not gone away. In fact, this amounts to a prolongation of the economic war at a time when the military war is still under way.

Once again, the various sectors of production will suffer the greatest damage, without distinction as to what kind of ownership they are under, even though tremendous efforts have been made to adapt to new technologies and the country has diversified and expanded its foreign trade.

In this Socioeconomic Forum, representatives of the government and private producers analyze the consequences of the blockade and agree that the damage has been suffered throughout the nation, unifying the sectors under the same demand for respect and for the lifting of this unjust sanction.

* Cotton Production Down

90EM0052B Managua BARRICADA in Spanish
6 Nov 89 p 4

[Commentary by Jose Pallais, board member of the Association of Cotton Growers of Leon, affiliated with the Higher Council of Private Enterprise (Cosep)]

[Text] These have been very tough years, and our sector managed to stabilize the effects of the blockade just last year. The shortage of resources seriously damaged cotton production because of the lack of spare parts and machinery.

In this regard, the private sector was most seriously affected, because the Ministry of Agricultural-Livestock Development and Agrarian Reform (Midinra) assigned Soviet machinery first to state-run enterprises and cooperatives. But now we do have enough equipment, and we are adapting to Russian technology.

In fact, even if they lift the blockade, I don't see any great benefit in the short run, because we have oriented our market to Japan, Europe, and Taiwan. It would be difficult for agrochemical companies, for example, to displace the European firms that have now become firmly established in the Nicaraguan market.

Perhaps the weakest point is still fumigation equipment, as all of the planes are American and constantly require spare parts for their maintenance.

But if we recall the initial period after the blockade, it was a very difficult situation for all of us. You heard people crying "Ay!" all over the place, and in the case of cotton production, there was quite a bit of damage.

* Private Sector Affected

90EM0052C Managua BARRICADA in Spanish
6 Nov 89 p 4

[Interview with Vice Minister of Foreign Trade James Zablah; date and place not given]

[Text] [BARRICADA] What were the effects of the embargo on the lives of the population?

[Zablah] The effects have been diverse and difficult to measure, but the embargo has had direct as well as indirect repercussions on all aspects of economic activity and on the population's standard of living.

The diverting of exports and imports from the markets raised the cost of commercial transactions because of the use of different currencies that were revalued against the dollar, and because of the price of transportation to more

distant markets. This had a negative impact on agricultural and industrial production, which in turn translated into higher consumer prices and problems with the quality of manufactured goods.

But there were also direct effects due to the lack of foreign exchange for purchasing inputs and basic goods for the population, as well as medication, equipment, and inputs for hospitals. The Ministry of Health (Minsa) has stated that the technology transfer of medical equipment (which had been American) will take at least 10 years and much investment of dollars.

Other direct effects were felt in the lack of spare parts for the electric grid and potable water services, as well as transportation. It is undeniable that all of us Nicaraguans have felt the burden of the embargo on the economy in one way or another.

[BARRICADA] If the embargo had not been declared, would the country be facing the same economic crisis?

[Zablah] It would undoubtedly not be. Take for example a single sector, sugar, with which there have been so many problems lately. In 1983 the United States decided to cut the Nicaraguan quota by 90 percent, and this brought immediate losses of \$30 million. We must recall that they were paying \$18 per quintal when the market price was \$6 at the most.

Exports Affected

During those years, the embargo-related losses in the sugar sector alone have caused the country to take in \$75 million less, and this has clearly taken a heavy toll on the sugar mills, which use American equipment and were already quite obsolete.

In other cases, such as that of tobacco production, activity has almost ground to a halt because the United States constituted the entire market and production was geared to it. A similar thing happened with meat, which was cut and packed according to the preferences of the American consumer. For that reason, the slaughterhouses had to be transformed.

Cotton machinery and fumigation planes were also American made, and we could go on, sector by sector, explaining the impact of having to suddenly end the dependence with which the Somoza regime left us.

[BARRICADA] The embargo was aimed at the state, but it had an impact on the private sector as well, isn't that right?

[Zablah] The private sector has felt the brunt of the embargo just as badly as the state sector. Meat producers are mostly private, as are cotton producers. Similarly, 60 percent of industry is private, and this sector has been hit hardest by the blockade.

But let's not confine ourselves to medium-sized or large private producers. In the case of fishing, for example, thousands of small-scale fishermen were affected, as

were small peasant producers in the areas hit by the embargo: cotton, coffee, and meat. The negative effects of the blockade did not discriminate against anyone.

[BARRICADA] The right insists that the government is to blame for the drop in production. What was the cost of the embargo?

[Zablah] Just the direct effect on production was \$80 million, but this is very relative, as we are not taking into account the repercussions of warfare.

For example, in the case of coffee, while the blockade made it difficult to repair buildings or roads, the military assaults destroyed many units of production and forced the evacuation of hundreds of plantations.

It is obvious that because Nicaragua was a country with an open economy that depended tremendously on imports to maintain economic activity, an abrupt severance from its natural market created a very delicate situation. But this was made even more serious when a large portion of productive effort had to be devoted to maintaining the country's defense.

In this regard, the embargo has been quite effective as an instrument of economic aggression, because it has affected exports, the standard of living, and the maintenance of defense, and it has forced us to duplicate efforts. It is very significant that the economy has survived this violent cutoff of its supply lines and the markets for its goods.

Other countries have had to face great crises with much less. For example, when the United States cut the sugar quota of the Dominican Republic, a number of sugar mills went bankrupt, with severe consequences for employment.

Violation of International Law

[BARRICADA] What does international law say about the use of commercial dependence as a means of exerting pressure and blackmail?

[Zablah] Within the framework of GATT, these measures are clearly in violation of established conventions. The United States has practiced trade discrimination as part of its foreign policy in order to bring governments to their knees, with no concern for these violations of international law. And in this connection, although restrictions are imposed among rich countries with regard to poor countries, there is no other nation that imposes this type of action so blatantly.

The United States defends itself in international forums by citing its internal legislation, but that legislation does not provide for compliance with commitments they themselves entered into as a signatory of GATT agreements.

[BARRICADA] What has Nicaragua done to enforce international law and bring about the suspension of the blockade?

[Zablah] Nicaragua convened a panel in the GATT and presented its arguments, which demonstrated the violation of the various articles. But the United States exerted strong pressure, and although there was a resolution stating that the embargo violated the General Agreement, the next step of demanding that it be reversed or that Nicaragua be compensated for damages could not be taken.

'Trade Sanctions and U.S. Policy'

Indeed, the GATT is an agency where the United States wields influence based on bilateral pressure against the members, but it has also been a forum for constant denunciations by Nicaragua. We have even managed to introduce a proposal to change procedures and modify the limitations that had existed for convening a panel of this body, and the proposal was accepted. Now it is not necessary to have a consensus between the parties in conflict; the panel can be convened at the request of the affected parties, whether or not the other party agrees.

Nevertheless, Nicaragua has determined that this conflict is not commercial in nature, but involves the entire U.S. policy against Nicaragua. For this reason, at the meeting of the contracting parties in December, we intend to denounce once again the imposition of the embargo as a violation of the GATT agreements. We will cite the letter sent by President Bush to the Senate on 21 April, which states: "The trade sanctions are an essential element of our policy, aimed at achieving a democratic result in Nicaragua through 'diplomatic means'...."

Total Costs of U.S. Trade Aggression Against Nicaragua, Millions of Dollars

	Cumulative Total
I. Losses due to diversion of export market	
Sugar	
Bananas	
Meat	
Seafood	
Cigars	
Subtotal	146.5
II. Losses due to higher prices on import markets	77.9
III. Losses due to revaluation of currencies on new import markets	25.3
IV. Additional costs of intermediaries in imports	
Sugar mills	
Bananas	
Slaughterhouses	
ATM [Technical and Material Supply]	
Mining	
Energy	
Subtotal	3.1

**Total Costs of U.S. Trade Aggression Against Nicaragua,
Millions of Dollars (Continued)**

	Cumulative Total
V. Aeronica services	3.1
VI. Higher costs for financial mediation in foreign trade transactions	1.5
Effects on Production	
Cotton	
Coffee	
Seafood	
Gold	
Manufactured goods	
Subtotal	79.8
Overall Total	352.1
Additional effects of embargo on GDP	483.6
Total costs of trade embargo	835.7
Updating factor	1,100
Total costs of embargo at current values	1,092.0

*** Coffee Exports Decrease**

90EM0052D Managua BARRICADA in Spanish
6 Nov 89 p 4

[Commentary by Gladys Bolt, leader of the Association of Coffee Growers of Matagalpa, member of the national board of directors of the National Union of Farmers and Cattlemen (UNAG)]

[Text] The blockade has been very damaging to us because of the difficulties it caused us in maintaining buildings and machinery. We have had to waste a lot of time looking for spare parts, and we had to junk machinery that we couldn't repair.

The impact on the coffee markets was not so great, because we had been selling to Europe for a long time, but it is logical for our natural market to be the United States, since transportation is cheaper and that keeps our costs down. Moreover, it is not the same getting spare parts in Europe as in the United States, so we producers have suffered losses.

We coffee growers were more seriously affected by the military war, however. Just think: Nearly 30,000 manzanas of coffee plantations were abandoned, and it is difficult to bring production back to previous levels.

I think it is very negative that they have renewed the embargo. It harms us in terms of both imports and exports. I believe that we should have good relations with the United States, fair and dignified relations.

*** Rice Growers Need Equipment**

90EM0052E Managua BARRICADA in Spanish
6 Nov 89 p 4

[Commentary by Mario Hanon, president of the Association of Rice Growers of the Higher Council of Private Enterprise (COSEP)]

[Text] I don't think the export sectors are the only ones affected by the blockade; all of Nicaragua was affected, and all of those who are struggling to produce here have felt the effects.

It's not just a question of markets for our goods, but also of the importation of tractors and spare parts that we all need.

We miss the quality of U.S. machinery and equipment, although now we can get German or Italian machinery, which is excellent. Anyway, we have learned to survive under any conditions; we have figured out how to find spare parts in other countries and to reduce the area of cultivation.

The Americans were interested in attacking and destroying the Sandinist regime, and if on the way they had to sacrifice private producers, they didn't deny that. They simply sacrificed us.

I think that it would be good for them to lift the embargo; it is better to live in peace. For me it is important for them to suspend it, because we would have a market in the United States for our nontraditional goods.

Panama

Attorney General Files No Charges 2 Jan

PA0201215590 Panama City ACAN in Spanish
2032 GMT 2 Jan 90

[Text] Panama City, 2 Jan (ACAN-EFE)—Contrary to what was previously announced, the Attorney General's Office today will not present a document asking the Vatican to turn General Manuel Antonio Noriega over to Panama for him to be detained and subsequently tried.

An Attorney General's Office source told ACAN-EFE that Attorney General Rogelio Cruz ordered office sources to inform the press that charges against Noriega will not be presented today and that those interested in obtaining information regarding this matter can call the Attorney General's Office on Wednesday, 3 January, "to find out whether there is some new information."

Attorney General Rogelio Cruz announced on Sunday, 31 December, that today, 2 January, his office would request the turnover of Noriega to Panamanian hands for him to face charges, which he did not mention, but which could be linked to the "execution" of 10 military men who tried to carry out a coup d'etat against Noriega on 3 October.

The Attorney General's Office source refused to say whether the charges against Noriega would be presented tomorrow or on another day. Noriega, who remains at the Apostolic Nunciature as a "guest" [acogido], entered the nunciature on 24 December.

Although Cruz said the Attorney General's Office would request the turnover of Noriega to bring him before Panamanian justice, new President Guillermo Endara said on the same day that the Panamanian system "has no capacity to judge Noriega" if the Vatican decides to turn him over to Panama.

Nunciature Spokesman Says Cuban Departed Mission

PA0301013890 Panama City Televisora Nacional in Spanish 2310 GMT 2 Jan 90

[Text] An Apostolic Nunciature spokesman announced that Cuban Juan Carlos Cabrera left the mission this afternoon. Photographers and reporters posted at the nunciature said they saw someone, who they did not identify, leave the Apostolic Nunciature. Later, this person boarded a U.S. Army helicopter.

According to the nunciature spokesman, who asked not to be identified, Cuban Juan Carlos Cabrera was taken to the U.S. base at Fort Clayton. Our source explained that former Supreme Court president Marisol Reyes de Vasquez does not appear on the list of persons given refuge in the Apostolic Nunciature, thus denying reports to that effect.

The spokesman confirmed that Manuel Antonio Noriega; former DENI [Department of Investigations] Director Nivaldo Madrinan; Captain Eliecer Gaitan, chief of Noriega's security; and former Immigration Director Belgica de Castillo and her husband are in the nunciature. The source added that Noriega's entrance to the nunciature is in keeping with two things—justice and the traditional refuge given by the Vatican.

The spokesman concluded that the day the big mouths stop talking, justice will be served and a monument to Nuncio Laboa will be erected for the work he has done.

Linares Discusses Noriega, Cuban Relations

PA0301000490 Hamburg DPA in Spanish 2330 GMT 2 Jan 90

[Text] Panama City, 2 Jan (DPA)—Foreign Minister Julio Linares said today that the "talks" with the Apostolic Nunciature to get General Manuel Antonio Noriega out of that embassy "are going very well." Linares added that the talks cannot be called "negotiations," because in this case the Panamanian Government is not giving up anything.

Linares said the Vatican's delay in solving the Noriega problem is a result of its desire to "avoid making a decision that could cause trauma to the Panamanian people."

Linares, who made statements at the end of a cabinet meeting, ruled out the possibility that the Vatican could let Noriega seek asylum in a third country, because "that would be as if the Vatican considered him a man persecuted for political reasons, and I believe no one in the world would consider him as such."

Linares also admitted that in Panama there is a bad feeling against Cuba and Nicaragua, because in addition to supporting Gen. Noriega's "military dictatorship," they have been hindering Panama's democratization by promoting actions at the United Nations against the new Panamanian Government.

Linares stressed: "We cannot maintain diplomatic relations with countries that are constantly repudiating us, and if they (Cuba and Nicaragua) do not recognize our government, their next step should be to withdraw their ambassadors."

Molotov Cocktail Found in Car Near Nunciature

PA0201200190 Hamburg DPA in Spanish 1916 GMT 2 Jan 90

[Text] Panama City, 2 Jan (DPA)—This morning U.S. troops who guard the area surrounding the Apostolic Nunciature stopped a vehicle in which they found a Molotov cocktail.

The incident occurred at 1100 (local), only 200 meters from the Vatican mission. Apparently the vehicle's driver was able to pass several checkpoints established by U.S. troops in areas adjacent to the nunciature.

The vehicle's driver was arrested and taken to a nearby hotel, where U.S. troops are doing interrogations.

Apparently, he is an opponent of the Noriega regime who was tired of waiting for results from the lengthy negotiations conducted by the Vatican, the United States, and Panama, and had planned to throw the Molotov cocktail at the nunciature from a nearby building to cause a fire.

General Manuel Antonio Noriega has been at the nunciature since 24 December when he sought refuge to avoid capture by U.S. troops that are trying to take him to the United States to be tried for drug trafficking and money laundering.

Many Write To Laboa Demanding Noriega Turnover

PA0201215690 Panama City Circuito RPC Television in Spanish 1730 GMT 2 Jan 90

[Text] Monsignor Giancinto Berlocco, representing the Holy See's State Secretariat with the Vatican rank of nunciature advisor, arrived today. Vatican spokesman Joaquin Navarro Valls said Msgr. Berlocco has gone to the Panama nunciature, where Manuel Antonio Noriega has been staying since 24 December, to lend a hand. Msgr. Berlocco's trip is not unusual as he is considered an expert on Latin American relations, although not specifically on Panamanian matters.

As the days go by, indignation increases over the presence of Manuel Antonio Noriega at the Apostolic Nunciature. More and more letters continue to be sent to Jose Sebastian Laboa, papal representative to Panama. Some citizens who live on the main street of the El Carmen neighborhood sent a letter to the papal nuncio requesting that former dictator Noriega be handed over to the U.S. authorities. The letter was signed by more than 400 people. Each day, more and more letters along these lines continue to be received by the nunciature's diplomats.

Several hundred Brothers in Christ [Hermanos en Cristo] sent a letter to Papal Nuncio Msgr. Sebastian Laboa saying the Catholic Church speaks of forgiveness, help, and protection, but also speaks very highly of justice—taking life for things that God himself does not appear to forgive in heaven—and teaches how to guard against enemies:

Msgr. Laboa, for several months you have had some ETA [Basque Fatherland and Liberty] members at the nunciature. You now have them under the same roof with a person who sought the devil as his god, who handed all of his family—wife and daughters—over to the devil. This person mocked the church's liturgy and the church's divine rites; he mocked the priests and lay workers who comprise the church. You have these people living off the charity that many of us make sacrifices to give, just as we should, to help God and his church's needs. We cannot understand that you can guard—with so much love for your fellow man—someone who gave his soul to the devil and who nearly annihilated youths by giving them drugs; someone who forced all those who opposed him into exile; someone who closed down the press that wanted to speak the truth; and someone who also came very near to wiping out the church.

Msgr. Laboa, the Brothers in Christ say what Panama went through was not a dream or a nightmare—it was reality that left its victims with big, irreparable scars. For all these reasons, the country clamors for justice, and this justice will be achieved by handing over Manuel Antonio Noriega to the proper authorities.

Nuncio Laboa Criticized for Accepting Noriega

PA0201214390 Panama City EL SIGLO in Spanish
2 Jan 90 p 8

["Our Opinion" column: "For Monsignor Laboa's Ears"]

[Text] The problem created by Manuel Antonio Noriega's presence at the Apostolic Nunciature is more the result of a hasty attitude on the part of Monsignor Laboa than a result of international law.

Everyone knows the right of asylum does not apply to those who have committed crimes against mankind. If

this were not so, it would have been justified to grant asylum to the Nazi criminals of Dachau and Buchenwald.

Noriega has committed crimes against mankind.

The church should "Give unto Caesar what is Caesar's", and disregard temporary trifles. Noriega's body does not belong to the church.

Besides, Msgr. Laboa should not worry. Noriega will be granted his rights and he will have defense counsel. He will not be mistreated. If he is found guilty, he will be lucky that he will not be put into one of his own cells.

Arias Calderon Discusses Nation in Interview

PA0201162790 Bogota Radio Cadena Nacional
in Spanish 1250 GMT 2 Jan 90

[Telephone interview with Ricardo Arias Calderon, first vice president and government and justice minister, by unidentified Radio Cadena Nacional reporters; date not given—recorded]

[Text] [Reporter] For the first time since the invasion of Panama, we have contacted Dr. Ricardo Arias Calderon, and we wish to send him greetings and wish him a happy new year. Good morning, Dr. Arias.

[Arias] Thank you very much for your good wishes. A happy new year to all the Colombian people who are listening at this moment.

[Reporter] Dr. Arias Calderon, as vice president of Panama, how do you view the future in light of the problem with Noriega and the presence of U.S. troops in Panama? Does it look difficult?

[Arias] I believe the whole country is relieved, even more so because we are recovering from the unbelievably negative situation under which we were living. I can tell you that in the past few days more than 70,000 weapons have been recovered. These weapons were in the hands of unconventional forces throughout the country. Noriega had turned the country into a real arsenal. During the first days following the U.S. military action, we were on the verge of urban guerrilla warfare because of the actions of the so-called Dignity Battalions. Today we are happy because this situation no longer prevails. As a result of the statements now being made, we see that the extent of corruption, human rights violations and repression surpasses anything we ever denounced. The truth is that since the fall of the Noriega dictatorship we have been able to see that it was one of the worst in Latin American history. With the end of this dictatorship, the Panamanian people are seeing the dawn of a new day in their history. There are many difficulties yet to overcome, but there is hope.

[Reporter] Dr. Arias Calderon, what is going to happen with the cat and mouse game being played at the Apostolic Nunciature in Panama City? This is a cat and

mouse game being played by Panama, the United States, the Vatican, and Panama. What do you think will happen?

[Arias] I think that little by little this situation will be solved. Only 2 days ago the Panamanian Episcopal Conference issued a statement demanding that General Noriega, a criminal—and this is the word they used to describe him—be brought to justice. They also recognized that Noriega's presence in Panama is the biggest obstacle preventing a real reconciliation and reconstruction from taking place in Panama. I believe that the step taken by the Panamanian Episcopal Conference is a sign that the Holy See will adopt a satisfactory position.

[Reporter] Dr. Arias, President Endara said Noriega cannot be tried in Panama—that due process cannot be guaranteed. Is he admitting the new government is still weak and cannot establish the appropriate court to try Noriega?

[Arias] The whole country has experienced the worst disaster in its history. Noriega has left us practically without a public security force. As government and justice minister, one of my tasks has been to form that Public Force. We must be honest and admit that in the condition that Noriega left the country and the Panamanian security institution, we are not in any position to guarantee Noriega's physical security in a country that is accusing him of everything. On the other hand, our judicial system is in shambles, it was completely subservient to the dictatorship. Following the resignation of the members of the Supreme Court, we will appoint a temporary Supreme Court of Justice. The confirmation of the appointment will be made once the National Assembly is integrated. In light of the situation in which Noriega left the judicial system, it is not possible for us to give Noriega, a criminal who has truly harmed the country, a fair trial. For these two reasons, I think President Endara has spoken the truth.

[Reporter] Dr. Arias, I will play the devil's advocate. You have described the former judicial system as being subservient, as being under Noriega, and therefore not appropriate for trying Noriega. Is the new government not showing that it is also somewhat subservient when it says that due process can be given in the United States?

[Arias] The crimes Noriega committed were not only crimes against the Panamanian people. He also committed crimes against the Latin American people, because the drug trafficking and gunrunning affected many neighboring countries. There were times that Noriega's actions involved Colombia. His crimes are also crimes against humanity because of the incredible harm that drug trafficking and money laundering represent for our people. Someone must ensure justice, and I believe the United States can do this better because it can guarantee not only security, but also a fair trial. It is impossible for Panama to do this because of the disastrous and traumatic situation in which Noriega has left our country.

[Reporter] Mr. Vice President, what would be the best solution as far as the new Panamanian Government is concerned? Should Noriega surrender to the Panamanian Government, or should he surrender to the U.S. authorities and be taken immediately to Florida?

[Arias] I think the ideal solution, and the statement issued by the Panamanian Episcopal Conference points in that direction, is that Noriega abandon the nunciature and surrender to the forces currently surrounding the nunciature—that is, the U.S. forces.

[Reporter] Dr. Arias, to what extent can the new government trust the officials and officers who worked under Noriega and who are not being integrated into the new administration?

[Arias] We must not forget that within an army there are two kinds of people. There are those who follow the orders given by their superiors and those who follow a code of discipline. There were officers and members of the Public Force who shared this institutional responsibility. However, there were others who followed the direct orders of Gen. Noriega and who were accomplices in his crimes. None of those who were accomplices in Gen. Noriega's crimes will be members of the new Public Force. On the other hand, almost all the officers who were targets of persecution, arrest, and torture by Noriega have joined the new Public Force. These are officers who do not want the Noriega phenomenon to repeat itself ever, officers who will not allow this phenomenon to repeat itself. This feeling is shared by them and the civilian population. In addition, I can tell you the duties of the new Public Force that is being formed are very different from those of the Panama Defense Forces. We are talking about a completely different world, a world that demands a Public Force that will guarantee safety, and we are taking every precaution to ensure the past situation, that caused so much pain to our people, will not repeat itself.

[Reporter] Dr. Arias, we have seen new movements born in Eastern Europe. We have seen that the new democratic governments being formed will include some members of the former governments. Do you believe your new government can count on some of Noriega's former officials to help restore stability in the country?

[Arias] There are approximately 140,000 government workers in Panama, therefore, it is absolutely necessary that a large number of government workers, who on the average, to a certain extent, were victims of the dictatorship, remain at their posts. We have said this and this is what is happening. However, there will be changes as far as political appointments are concerned. Radical changes are being made in these areas.

[Reporter] Dr. Arias Calderon, some democratic Latin American countries have criticized the fact that the slate that won the 7 May elections—in other words, you, Mr. Ford, and Mr. Endara—was sworn in at a U.S. military

base. My question is did you all—Ford, Arias, and Endara—know about the U.S. military invasion before it began?

[Arias] We knew, and we have said publicly from the very beginning that we knew of the U.S. decision to take military action against Noriega's dictatorship approximately 3 hours before it took place. The invasion not only had been decided upon, but had already begun in the United States. We had an alternative, the most difficult in our political careers: either cross our arms and let the country suffer not only a military invasion by the United States but also have an occupation government imposed, or take over the government to which the people elected us on 7 May and attempt, upon the foundation of popular sovereignty, to rescue the nation's sovereignty.

I must take advantage of this opportunity to make a comment. During long, very long months, we toured Latin America in its entirety and we toured Europe with a very clear and simple message: Panama is headed toward a catastrophe, and that catastrophe will prompt a U.S. military invasion. We informed the Latin American presidents, foreign ministers, and media about it, and in most countries, with very few exceptions, Latin Americans continued making speeches and allowing a people to drown step by step in one of the most tragic and macabre dictatorships in Latin American history. Now that we have suffered what few people's dignity and pride have suffered to save ourselves and be able to live, the speeches continue.

I must level a complaint against Latin America, using the words of President Carlos Andres Perez, who with great dignity and a deep sense of realism has complained that Latin America, the Group of Eight, and the OAS made speeches and allowed a people to sink and suffer at the hands of the worst of dictatorships. What they must do now is respect our resolve to be ourselves, to save ourselves from a dictatorship with dramatic conditions, and instead of making speeches, extend their hands to us in solidarity, which has been absent more than once during the 21 years of the dictatorship, to which many Latin American countries were accomplices.

[Reporter] Dr. Arias, this proves what was known many years ago, that international organizations, beginning with the United Nations and OAS, have become ineffective and must be changed to more active and dynamic institutions. Following the topic of the invasion and on a more personal level, where were you early that morning at 0100 to 0130?

[Arias] We were sworn in at a residence in Panama City in the presence of the president and general secretary of the Panamanian Human Rights Commission. Afterwards, we were offered protection at a U.S. base. This is the truth, but we took the oath at a Panamanian residence and later accepted U.S. protection because of what we foresaw would and did happen. At the beginning of the U.S. military action we experienced 3 to 4 days of

absolute anarchy, 3 to 4 days during which guerrilla warfare began in Panama's metropolitan area. Had we not been where we were, all three of us would be dead.

[Reporter] Dr. Arias, some of Noriega's bank accounts abroad have been frozen. Does the Panamanian Constitution or any rule make provisions for the fate of the money?

[Arias] I cannot answer that question because the person who has been handling that specific issue is the foreign minister. I have been concerned with the formation of the Public Force and have not closely followed that issue.

[Reporter] A topic that worries all Colombians and, far more, the Panamanians is the Panamanian economy's degree of deterioration. We have been informed of dramatic figures regarding the negative growth of the GDP and the paralysis of commercial and industrial activity. Is there an emergency plan for the prompt recovery of Panama's damaged economy, Doctor Arias?

[Arias] After the 3d day of the U.S. action, the government sent a delegation to the United States, and within the next 2 days we will meet with a U.S. delegation to specifically determine the economic aid the United States will provide, devoting special attention to the Chorrillo Plan, which is a large urban renewal plan for areas surrounding the central headquarters of the former Panama Defense Forces, which were severely affected by the fighting that left approximately 3,000 to 4,000 people from the poorest social and economic sectors homeless. Therefore, a plan is already in place, and apart from that, there is a new spirit in the city. I believe we will be seeing very clear steps toward reconstruction.

[Reporter] Dr. Arias, to conclude and not take any more of your time because we know you are a busy man, I would like to ask a final question. What will happen with the canal's administration? I know Mr. Fernando Manfredo has temporarily taken over the canal's administration. What is going to happen? When will a permanent administrator be named and what are the mechanisms for making the post permanent?

[Arias] As soon as the new Legislative Assembly is formed, the executive branch will introduce a bill to abolish the law by virtue of which the assembly presents a Panamanian's name for the Canal Commission post. In my opinion and in accordance with the constitution, that decision falls within the realm of the president's powers. As soon as that law is abolished the president will submit a name for the post of first Panamanian Canal Commission administrator, for consideration by Panama and the U.S. Government.

[Reporter] Dr. Ricardo Arias Calderon, it has been very kind of you to talk today with RCN and Colombia. We truly hope 1990 will be a year of progress and peace for Panama's 2 million inhabitants. Thank you very much.

[Arias] Thank you very much for your interest, and a warm greeting to our Colombian brothers.

Linares Views Multinational Force Proposal*PA0201183190 Panama City EL SIGLO in Spanish
2 Jan 90 p 4***[Report by Aneldo Arosemena]**

[Text] The new Foreign Minister Julio Linares told EL SIGLO that the government is considering Peruvian President Alan Garcia's proposal of sending a multinational force to pacify Panama. Linares said of the proposal, "that may be a solution that will be considered at an opportune time."

Meanwhile, international law experts approached by EL SIGLO said that the deployment of a multinational force to Panama would not be strange at all.

Regarding international recognition of the new government headed by Guillermo Endara, Foreign Minister Linares reported that he spoke by telephone with the foreign ministers of Costa Rica, El Salvador, and other nations, adding that "that issue is going well."

Endara, Davis Discuss Structure of Public Force*PA2912214689 Panama City Circuito RPC Radio
in Spanish 1935 GMT 29 Dec 89*

[Text] President Guillermo Endara met with U.S. Ambassador Arthur Davis and with U.S. Congressman John Murthra to examine reconstruction plans and establish the nature of the new Public Force.

Murthra, a democrat from Pennsylvania, visited Panama several times prior to 20 December and is considered one of the people who will exert the greatest influence on Panama's policy in Washington. Sources close to the new government told the press that Endara has asked the United States to expedite its participation in the country's reconstruction.

Radio Station Seizures, Investigation Announced*PA0301014990 Hamburg DPA in Spanish 2315 GMT
2 Jan 89*

[Text] Panama City, 2 Jan (DPA)—The Panamanian Government today announced that within the next few hours it will take control of several radio stations to determine whether they were acquired with "ill-gotten" money or state funds. Media Director [name indistinct], pointed out that the stations involved belong to "people who are closely linked" to toppled General Manuel Antonio Noriega. The official explained that the aim is to investigate such stations. If their owners are able to show that they were acquired in the proper manner, the stations will be returned to them, otherwise, he noted, they will be seized.

Other sources revealed that the list of radio stations includes Radio Monumental, owned by former President Manuel Solis Palma; Radio Ritmo, owned by Ruben Dario Murgas, who was director of the state's radio station until recently; and Radio Musical.

The government of Guillermo Endara also took over Televisora Nacional, the main stockholder of which is Carlos Duque Jaen, former official presidential candidate and until recently president of the ruling Democratic Revolutionary Party, and Telecinco, managed by the Arango Family, which is sentimentally linked to Gen. Noriega.

Owner Discusses Radio KW Continente Reopening*PA3012145889 Panama City Circuito RPC
Television in Spanish 2330 GMT 29 Dec 89*

[Text] Radio Continente opened its doors and began airing, The Truth First, as its motto states. The station had been closed for the past 900 days by the Noriega regime. The station's owner, Rodrigo Correa, had the following to say on this important event:

[Begin Correa recording] I can talk, for example, about Radio Continente. The day Noriega surrendered, the station had been closed for 900 days. With some help from other radio station colleagues, we have been able to broadcast Radio Continente on its regular frequency. We have done so, I repeat, with equipment we rebuilt when the urgent need arose. We are working. I have been able to fill most of my positions in the news department. We are working from this small place that I was able to get when they closed the station and evicted us from our installations. I had used this small place as a garage where I stuck odds and ends, such as furniture and other things. This is where I have set up the operation. We are working and trying to survive. We want to have a flourishing business and be able to prosper with Panama.

[Reporter] Have you estimated your firm's losses resulting from the previous regime's restrictions?

[Correa] Of course. The OAS made an approximate estimate of the damages. Its estimate did not include the firm's payrolls or possible revenues if it had continued to work. It only included the physical damage to the firm and this totalled approximately \$150,000. You should recall that three radio stations operated at our installations and, thus, three stations were jeopardized. Taking this into account, the OAS technicians estimated the losses amounted to approximately \$150,000, and this is what.... [changes thought] Really, small businessmen here in Panama build their businesses little by little and do not include in the accounts personal efforts or pocket money we invest in the firm. However, the OAS brought in technicians and saw what I had. My firm's installations were good for a Panamanian firm of this nature. They estimated that losses amounted to about \$150,000. I repeat, the estimate did not include payroll or the firm's possible profits.

[Reporter] How will freedom of speech fare with the arrival of this new regime, the new government?

[Correa] I believe the situation will be very good. We are going to ensure that the promises given by the president, the government minister, and other politicians are kept

since this is what all Panamanians have longed for. Radio KW Continente will maintain a policy of respect, but it will report the truth. We were closed because we told the truth. We are going to keep telling the truth. If we are closed again because we tell the truth, then that will be the last time we work. However, we are going to keep the promise that there will be freedom of speech here. Freedom of speech not licentiousness of expression. [end recording]

Editorial Hails Reopening of EL SIGLO

PA3112045489 Panama City EL SIGLO in Spanish
30 Dec 89 p2

[Editorial: "EL SIGLO Is Here To Stay"]

[Text] On 6 February 1988, after a brief stint of restricted freedom, EL SIGLO, the authentic newspaper of the masses, was closed for the second time by Manuel Antonio Noriega's brutal dictatorship. The first time was on 27 July 1987, when the hoodlums used by the sinister tyranny were getting ready to launch one more fierce wave of persecution. They did not dare start their manhunt while this paper was still on the streets.

It was a trying period and a hard test. During 18 endless days we were once again subjected to the microscopic censorship of the G-2 [Intelligence Services] bloodhounds and the sleepless sleuths of the dictatorship, awaiting the slightest provocation to sink their fangs into our unbreakable spirit of freedom.

We never gave up, however. We never accepted the threatening muzzle and the abject self-censorship that the frightful felons of the dictatorship had expected of us. The revolting exchange of guilty silence for a subsidized subsistence never worked with EL SIGLO.

On that unforgettable day, 19 January 1988, when our readers with their boundless sympathy helped us break all newspaper circulation records, our banner headline on reappearing was equally lofty and in keeping with the struggle the people were waging in the streets, it read: Noriega Has To Go.

The die was cast. It was all or nothing. There was no middle ground, no in-between. It was either them... or us, the people and their most genuine spokesmen. There could be no cowardice in our hearts, when—infected by the zeal of those human masses shouting rebellion in 50th Street and Via Argentina, demanding liberty, justice and democracy—we reaffirmed our unwavering determination to accompany the masses until the bitter end. We never had the slightest doubt as to which side the scales would be tipped.

Now they are running terrified, afraid of the people's wrath, while in our hands we still hold the eternal flame of free expression. We are the guarantors of the people's trust, who never lost their confidence in their noble representatives. We always felt committed to rescuing their grossly trampled rights.

It has been almost 2 years since we had to close. It has been a road full of thorns and obstacles. Our offices were repeatedly looted by those who were committed to safeguarding them. With the connivance of the dictator, supported by the clerk who played the role of Attorney General, computers, copy machines, office equipment, and important files were stolen from our offices and sold on the black market. Our publisher had to seek the hard road of exile, harassed by the persecution of the judicial branch and its submissive judges. More than 80 families of our employees were unmercifully thrown to the horrors of unemployment and hunger.

Finally, to top off the dramatic harassment against EL SIGLO, on 15 September 1989, the newspaper's owner and president of the board of directors was beaten, tortured and expelled from the country. They did not even try to offer a legal explanation for this savage retaliation.

The financial losses we have suffered during this long silence imposed by the Caesar-like Noriega regime has endangered our economic stability, but it has not even scratched our firm conviction that a free press is the platform on which all the other freedoms are based. With that profound conviction and with the absolute certainty that the Panamanian people will continue to find EL SIGLO its most authentic interpreter, and its most firm spokesman, we return to our daily informative and indoctrinating task. We have faith in the Panamanian's unending capacity to forge their own great democratic destiny. The people have not let us down. We will not let them down.

The dictatorship has been smashed to smithereens. EL SIGLO is here to stay.

(Note: Our editor, Luis Estribi wrote these few lines hurriedly in Venezuela, before returning to Panama by any means possible. Let us hope he arrives without any problems.)

Troops Arrest, Release Newspaper Publisher

PA0201164390 Panama City ACAN in Spanish
1556 GMT 2 Jan 90

[Text] Panama City, 2 Jan (ACAN-EFE)—Tomas Altamirano Duque, publisher of LA ESTRELLA DE PANAMA newspaper, and close friend of General Noriega, was arrested and later released by U.S. soldiers who searched one of his printing shops on 1 January.

A source close to Altamirano confirmed his arrest and added that during the past few days the printing shop in which the national lottery tickets are printed had been searched twice by U.S. soldiers.

According to the source, the soldiers were looking for weapons. However, "they did not find anything, as on the two previous occasions." Even so, they took Altamirano for several hours, apparently to question him.

Altamirano Duque, former minister and legislator for the Democratic Revolutionary Party (PRD, the main party supporting Noriega), had been the former regime's candidate for the post of Panama Canal administrator. However, the U.S. Government never ratified him.

The newspaper LA ESTRELLA DE PANAMA, of which Altamirano is a main stockholder, and whose Deputy Director is Carlos Ozores, vice president of Panama until the U.S. military intervention on 20 December, had openly supported Noriega's regime. However, since it reopened last week it has been attacking the ousted general and supporting the government headed by Guillermo Endara.

Acting Administrator Says Canal Safer Than Ever

PA0201215890 Panama City ACAN in Spanish
1921 GMT 2 Jan 90

[Excerpt] Panama City, 2 Jan (ACAN-EFE)—Acting Panama Canal Administrator Fernando Manfredo today said the waterway "is more protected than ever" and that he is not aware of the canal having run the risk of being destroyed following the U.S. invasion on 20 December.

According to Manfredo, operation of the canal is safer now than during the past years of growing confrontation between the United States and General Manuel Antonio Noriega's regime.

"I was very worried about what was happening in Panama," Manfredo said. "The situation was going to result in the closure of the canal because the workers could not stand the situation any longer," he added.

"I would have preferred another solution, a less painful one (instead of the U.S. invasion), but the question is whether there was another solution," Manfredo said during a news conference.

The first Panamanian to run the canal since it opened in 1914 admitted, however, that he was worried about the number of weapons found in Panama, weapons hidden in different areas, and "many of heavy caliber."

Manfredo believes that "there was no reason for the canal to be an exception" among the possible targets of the former regime, and thanked the U.S. Army "for providing the safety needed to continue operating the canal."

"We will once again enjoy what we enjoyed years ago," Manfredo said in reference to the 1979-1987 period when the United States and Panama had good relations. [passage omitted]

Presidential Spokesman Views PCC Appointment

PA0201022290 Panama City Circuito RPC
Television in Spanish 2354 GMT 1 Jan 90

[Text] Presidential Spokesman Anel Beliz said today that the government will carefully choose the person who will occupy the position of canal administrator.

[Begin recording] [Beliz] First, I want to take this opportunity to congratulate the RPC Television News Department and particularly News Director Julio Miller for the documentary you carried yesterday, which I think has shaken the national conscience. That documentary, entitled "Never Again," with all those scenes, has caused great impact in all sectors. Those of us who lived through those events, who suffered the consequences, and who had already seen those scenes via satellite or through films from foreign correspondents were even more impressed yesterday. It was really good to show the Panamanian people those scenes, so that such things will never happen again. I want to congratulate you for your work.

However, that does not mean—and this worries the president—that we should be revengeful. We are not talking about forgiveness, but of justice. Many of those crimes cannot be ignored. However, within the framework of justice, civil laws, and courts, any person who feels he has been hurt, anyone who has lost a relative, or who has suffered the consequences of the past regime should go to the courts to file the corresponding charges. However, there should be no revenge. We must seek justice. We must say no to revenge and yes to justice. Justice is made and requested in the regular courts.

[Reporter] Although some appointments have been announced, there are still some pending. Can you tell us about any other appointments?

[Beliz] Several appointments are being made at this time. We are working almost 20 hours per day to make the announcements this week. As you know, President Endara received a country in ruins, like a building that has collapsed. We are currently in the process of clearing the rubble to start building the new republic. This is taking some time. The new appointments will be announced by the president during the course of the week, in addition to the ministers and ambassadors in the United States who have already been announced.

[Reporter] We understand that your name has been mentioned for a government position. Do you have any comments on that?

[Beliz] I would prefer not to comment on that, because that is a presidential prerogative. I must go wherever he asks me to go.

[Reporter] What procedures have been followed with regard to the appointment of the next administrator of the Panama Canal Commission [PCC]?

[Beliz] That decision must be made by the National Assembly according to the recent laws issued by the past government. Therefore, once installed, the National Assembly will designate the candidate. What I can tell all Panamanians is that the government—and by the government I mean all sectors—is aware that this is one of the most important appointments to be made. I am sure that the National Assembly will chose the person it believes is best qualified. The government—President Endara's new government—will chose the most qualified, serious, and honest person. It will be someone of whom the Panamanian Government, the PCC, the U.S. Government—our counterpart—and the canal employees can be proud. [end recording]

Text of People's Letter to UN Secretary General

PA0101015090 Panama City LA ESTRELLA DE
PANAMA
in Spanish 31 Dec 89 pp 24, A9

[Text of letter to UN Secretary General Javier Perez de Cuellar, signed "on behalf of the Panamanian people" by "more than 10,000 Panamanians" dated 30 December]

[Text] Panama City, 30 December 1989

UN Secretary General

New York, U.S.A.

Through this means, and on behalf of the great majority of the Panamanian people who are demonstrating on the streets, in offices, and in neighborhoods, but who, unfortunately, do not have access to the media, we address you, and through you all the members of your organization to express our total disagreement and displeasure in light of statements made by various members of the UN and the resolution repudiating the U.S. intervention in our country and the recent incidents in Panama.

It is unfortunate that an organization—born of the dream and vision of men who fought for freedom to promote ties of unity among nations, for the stronger to help the smaller through various programs that range from providing them with basic needs such as food, education, and medicine, to the security of weaker nations in case of aggression by the more powerful—has not been able to correctly interpret the real feelings of the Panamanian people who, for years, have been fighting to shake off a constantly growing corrupt tyranny and to achieve our dreams of freedom, democracy, and peace.

In the specific case of Panama, your organization to date has been a complete failure. From you we have only heard words and resolutions—of support it is true—but only words. We have received no effective help from the UN to make our dreams for democracy, clearly expressed during the 7 May elections, come true. To the surprise of a few, not only have we not received effective help from you, but you are now, with your ambiguous, inefficient, and hesitant attitude, as well as decidedly

unclear positions, privately as well as publicly, voluntarily or involuntarily, playing the game General Noriega has used quite effectively with the help of believers, the innocent, and those who are protecting their personal interests. We, the Panamanian people, have come to feel a complete lack of trust in you and it hurts to say this, but a loss of respect for the organization that has been, and could be, the basis for understanding and the tie that unites nations, because you have olympianly ignored the internal decisions of our people and have given some of your members, which to date have only hurt our country, the right to repudiate our decisions and express opinions for which no one has asked.

The UN has not complied with Panama. The diatribe we have been hearing on television (a freedom we began enjoying only a few days ago after the North Americans opened the communications channels normally enjoyed by all civilized countries and of which we had been deprived for years by the dictator) from representatives of the governments of nonaligned countries, particularly Cuba and Nicaragua, repudiating the North American intervention in Panama. [sentence as published] It is unbelievable that they can be so brazen. For many years now, those countries have been meddling in our country, with the only difference being that instead of helping and supporting us in our struggle for democracy, they have promoted a class struggle, have strengthened the dictator with tons of weapons and objects of destruction, and have attempted to install, in our country, a system that is already obsolete and on its way out in Europe and we hope soon in their own countries.

What right does the UN have to repudiate the U.S. intervention that the Panamanian people have received with joy and relief when it, the UN, has not been capable of helping us? This intervention by a friendly people is not only solving our problem of getting rid of a mad, bloodthirsty, criminal, and Machiavellian dictator, but it is also giving us the opportunity to establish and strengthen the government chosen by the majority of the Panamanian people on 7 May, a government with which we hope things will take a turn for the better in our country. May justice and peace reign for us. May power be shared among the various sectors in power. More importantly, may the defense forces, until now consisting of soldiers with dreams of great power, occupy their professional place, which is to protect public order and the lives and property of the Panamanian people and foreigners in our country—rather than to oppress, torture, and use public funds as if these were their own, impoverishing our nation to such a point that today, after so many years of misgovernment and corruption, it is in a most deplorable economic, as well as moral, ruin.

Gentlemen of the UN, if you wish to fulfill the mission for which you were chosen, come to Panama, talk to the Panamanian people, and see for yourselves that the North Americans are welcome in our country, and if there is one thing the Panamanian people regret, it is that they took so long to interfere. Since this is the way we feel, and since Panama is our country, you have no right

to repudiate or reject what we, the citizens and owners of our country, accept and value as positive, something you, an international organization created to protect the well-being of nations, were not able to do or respect in Panama.

May your diplomatic failure in Panama, as an organization, serve as lesson for future occasions—perhaps in Nicaragua, where there is no doubt the people will confront the oppressive system that has impoverished them, sent them into exile, and repressed them for so many years. Find adequate solutions for each case, always taking the wishes of the people into consideration. Do not try to impose theoretical solutions that you, from your comfortable offices in New York City, believe to be appropriate. If you do not do this, God, your countries, and the world will condemn and repudiate you for being negligent, incompetent, undecided, or opportunists.

For the Panamanian people,

More than 10,000 signatures follow.

'Leftist' Organizations Demand U.S. Departure

PA3012001089 Panama City ACAN in Spanish
1850 GMT 29 Dec 89

[Text] Panama City, 29 Dec (ACAN-EFE)—Some 20 civic and leftist organizations demanded today the "immediate departure" of the 26,000 U.S. soldiers that invaded Panama 11 days ago to capture General Manuel Antonio Noriega, former Defense Forces' chief.

In one of the first national reactions, the National Coordinating Board of Support and Solidarity [Coordinadora Nacional de Apoyo y Solidaridad] criticized the "accomplice-like" way the new government presided over by Guillermo Endara took power, "installed through a bloody invasion."

"The invasion was a barbaric act, anti-Christian, and harmful to the right to life. The elimination of a dictatorial regime through a foreign invasion cannot be sanctioned," stated coordinating board leader Conrado Sanjurjo in a communique.

The National Coordinating Board of Support and Solidarity groups student, humanitarian, church, and professional organizations with independent groups and trade union organizations, which criticized the "dictatorial and authoritarian" Noriega regime that was overthrown following the U.S. invasion.

The leftist Workers Socialist Party (PST) is calling for a national constituent assembly "so the Panamanian people are the ones to decide and not Washington."

According to the coordinating board, more than 2,000 people were killed and thousands of civilians were wounded "when they were strafed by high-caliber explosives and machine-gun fire."

"Using the argument of finishing off a dictator, the Yankee troops have murdered, wounded, and left homeless thousands of innocent Panamanians and have reduced the country's economy to ashes," the PST underscored.

Losses From Looting Total More Than \$2 Billion

PA0201192290 Panama City EL SIGLO in Spanish
2 Jan 89 pl

[Report by Aneldo Arosemena]

[Text] Looting and vandalism provoked by the so-called "Dignity Battalions" in Panama City and Colon caused more than \$2 billion in losses to local businessmen.

Roberto Maduro, president of the Chamber of Commerce, has said that in the Colon Free Zone losses amounted to hundreds of millions of dollars. The losses include merchandise, buildings, and office equipment. He added that some of the stolen merchandise is being shipped out from private piers in Isla Grande and Puerto Obaldia.

Maduro said the Chamber of Commerce has met with Commerce and Industry Ministry officials and with Guillermo Ford, second vice president and minister of planning and economic policy, to discuss ways to reactivate private enterprise.

He said, "it is hard to suggest what to do because everytime we plug a hole a new one appears."

He added "we simply have to admit that the losses to the business sector were caused by the deranged mentality of Panamanians, who had witnessed what was happening in the country during the past 20 years of government. This led them to commit the numerous robberies in Panama City and Colon."

EL SIGLO has learned that much of the merchandise stolen from the stores during the looting is being returned. The owner of a small store told our reporter that "the merchandise is being returned mostly because of the rewards offered to those who report the location of the stolen merchandise."

Former Legislative Assembly President Arrested

PA2912234689 Panama City Telemetro Television
in Spanish 2321 GMT 29 Dec 89

[Text] Former Legislative Assembly President Alberto Aleman Boyd was captured this afternoon by U.S. Army troops when he tried to enter his offices, located between Cuba Avenue and Justo Arosemena Avenue, close to the Belisario Porras Park. He was handcuffed and taken to one of the Foreign Ministry offices. The driver of the vehicle in which the former parliamentary members was riding was also arrested, while U.S. Army troops protected the area. Telemetro Television's cameras caught the moment in which Aleman Boyd was arrested at the Foreign Ministry and when he was taken to the Attorney

General's Offices, escorted by U.S. soldiers. The arrest of Aleman Boyd, who was a candidate to the post of legislator in the 7 May elections, occurred in the presence of many people when he arrived at the entrance to his offices in a black vehicle with tinted windows.

Lawsuit Filed Against Former Attorney General

PA3012224689 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Dec 89 pp 1, B7

[Text] A lawsuit was filed on 28 December against former Attorney General Carlos Augusto Villalaz. The charges were presented to Attorney General Rogelio Cruz.

The suit, which was filed by lawyer Jesus I. Rosas, accuses Villalaz of committing crimes listed under title 10, which refers to public administration.

Rosas said the former attorney general received large sums of money and took advantage of his position to alter court rulings, hide files, introduce new documents into the files, and corrupt employees of the judicial branch and the Public Prosecutor's Office by making promises and giving them gifts and money.

Rosas stressed that among these employees are members of the judicial branch, the Public Prosecutor's Office, two magistrates of the 2d District Court, circuit judges, district attorneys, and public prosecutors, "in open connivance with local lawyers and law firms. We are also going to lodge charges against these persons."

U.S. authorities arrested Villalaz 3 days ago, as well as former legislator Alberto Aleman Boyd.

Aleman Boyd was seen at the Attorney General's Office on the afternoon of 29 December. He was handcuffed and was heavily guarded by U.S. soldiers.

Education Ministry Communique on Schools

PA3012222589 Panama City LA ESTRELLA DE PANAMA in Spanish 30 Dec 89 p 16

[Communique issued by the Education Ministry on 29 December in Panama City]

[Text]Communique

The Education Ministry reports to all citizens that the reopening of the present school year will be established after consultations with and evaluations of the schools and other educational installations in the entire country have been conducted, especially after establishing and being fully convinced that students from all ages are provided the greatest possible security. This is an essential element for resuming the educational process. The decision will be made after prior consultation with school directors, teachers, and organized parents associations.

At this time, Education Minister Ada de Gordon and Deputy Education Minister Dr. Laurentino Gudino are heading a work team in the reorganization process. They are gathering information on the schools and other educational structures throughout the country to expedite the aid the new government of national reconstruction and reconciliation will provide.

In this regard, a general meeting has been scheduled for 4 January. Other meetings will be held with provincial directors, directors of public elementary schools in the metropolitan area, directors of high schools in Panama Province, and representatives from private and religious schools to analyze the system and provide a diagnosis on the school situation. Another purpose of the meeting is to get to know the opinions on the academic progress of students, as well as the overall viewpoints of teachers concerning the academic year. Once all the above-mentioned elements have been assessed, and once parents have been consulted, Education Ministry authorities will report the new date for the reopening of classes and for finishing the rest of the 1989-1990 academic year to Panamanian citizens.

Education Minister Installed, Reveals Goals

PA3012011389 Panama City Televisora Nacional in Spanish 2300 GMT 28 Dec 89

[Text] After being installed at noon today as education minister, Ada de Gordon announced the establishment of a National Coordinating Commission, the restructuring of the Education Ministry, promotion of the administrative career, drafting of the ministry's charter, and the creation of a personnel board.

The National Reconstruction and Reconciliation Government appointed Gordon as new education minister. She introduced Deputy Education Minister Laurentino Gudino, who is a very experienced educator.

Minister Gordon's installation was attended by top leaders of the Association of Independent Teachers including Marcos Alarcon, Gilberto Solis, Bertilo Mejia, who was appointed as national education director, members of other teacher unions, and sympathizers of the National Reconstruction and Reconciliation Government.

Minister Gordon said that she will work along with the various teacher groups and strive to establish the administrative career. She urged everyone to help overcome the chaos that prevails in education. Gordon said that details on restructuring the Education Ministry will be announced at a later date. She pointed out that the authorities welcome the contributions of professionals to upgrade national education. Gordon said that she would never sponsor any immoral actions.

Among the short-term goals, the education minister pointed out that the payroll will be reviewed to determine which employees are, in fact, working at the ministry. Gordon added that she has asked the Attorney

General's Office to conduct a joint audit to determine the availability of resources.

On his part, Deputy Minister Laurentino Gudino called on all ministry employees to help upgrade education, and above all, ensure that Panamanian educators feel that there is respect, justice, and freedom.

As for Minister Gordon's good intentions toward the unions, Marcos Alarcon asked teachers to be patient and reflect on the efforts to make changes, because justice was denied for many years. Decency must reign again at the Education Ministry, Alarcon added.

Former 7th Zone Head Under Command of Government

*PA3112154289 Panama City ACAN in Spanish
1520 GMT 31 Dec 89*

[Text] Panama City, 30 Dec [date as received] (ACAN-EFE)—Lieutenant Colonel Luis Martinez, who was in command of the 7th Military Zone in Panama, is at the command of the new government and the U.S. Southern Command. This was announced by Lt. Col. Martinez himself.

Martinez denied reports that he was at an unknown location and told ACAN-EFE that he was one of the first to put himself at the orders of the government.

"General (Marc) Cisneros (commander U.S. Army South) called me on 20 December, and I told him the 7th Military Zone was at the command of the government," Martinez said.

According to Lt. Col. Martinez, he was also in contact with First Vice President Ricardo Arias Calderon and tomorrow, Sunday, will attend a meeting with the U.S. Southern Command "to be informed of my future."

Human Rights Leader Says Detainees Treated Well

*PA0101013690 Panama City Televisora Nacional
in Spanish 2300 GMT 29 Dec 89*

[Text] Osvaldo Velasquez, president of the Panamanian Human Rights Committee, has said that the U.S. armed incursion in our country should not be seen as a violation of human rights, but as a liberating action. He added that the Panamanian detainees are treated as stipulated in the Geneva Convention.

[Begin recording] Since the military actions began, the committee has been interested in verifying if the U.S. Army is complying with the Geneva Convention concerning acts of war and the treatment that should be given to prisoners of war.

In that regard, after making the necessary arrangements with the U.S. Army, we went to the largest camp in a place known as Empire Range. We saw that the prisoners have been duly classified, the food is good—quite acceptable—and medical services are available. Since the military actions began, about 3,800 detainees have

arrived there. Many of them have already been processed, to the point that there are now only 1,250 detainees in those camps.

We have called upon the Panamanian Government to exert pressure so that those detainees are processed as soon as possible, so that those who are declared innocent can return to their homes. I think that they should not be under arrest just because they belonged to the extinct Panama Defense Forces [FDP]. However, this is justified as an act of war. What they [the U.S. Army] have done so far is not a violation of human rights.

We also went to a jail on Fort Clayton, where we visited individuals who are viewed as highly dangerous prisoners. This includes FDP officers and some civilians who are considered highly dangerous because they have incited violence or have participated in acts of violence.

None of the prisoners in the two places we visited had any complaints whatsoever about receiving cruel, inhuman, or degrading treatment. They all said they have been treated as they should be, as human beings. [end recording]

Coupists Return From Coiba Island Prison

*PA0101140890 Panama City Circuito RPC Radio
in Spanish 2200 GMT 30 Dec 89*

[Text] Panamanian officers being held at the Coiba penal island in Veraguas Province following the foiled 3 October military coup against Noriega, who were released by U.S. forces, arrived today in Panama City with plans to join the democratic course of the country and to support the government of president Guillermo Endara. Reporter Daniel Alonso, the sole civilian included in that group, made these remarks.

[Begin recording] [Alonso] We were first taken to the Modelo jail by General Noriega following the foiled 3 October coup. On 27 October, we were taken to Coiba Island. There were 75 former soldiers in this group. This figure includes 14 officers, that is, 2 majors, 2 captains, 3 lieutenants, and 7 sublieutenants. I hope the people are watching this video footage taken by Rolando Aizpu, so they know these officers made great sacrifices to avoid what regrettably happened.

We arrived from Coiba yesterday. At approximately 1130 we arrived in Mutis port and were then taken to the Santiago garrison while the appropriate coordination was carried out with U.S. Southern Command troops and Public Force units. We left for Panama City at 1000 today aboard a U.S. Southern Command helicopter in two groups of 37. I want to tell the relatives of Major Ruben Dario Mascunana that he is still at Coiba because a high-ranking officer had to remain on the island for coordination purposes. The situation in Coiba is totally normal. Inmates serving time for common crimes are in their cells. Public Force members are guarding the jail. Major Mascunana is there and will be taken to Panama City later.

We arrived here to give a report on our arrival. The members of the two groups are here. I can tell you that we are happy, and thank God we survived this bitter experience. We are here to join our relatives and to join decisively and completely the new democratic course in Panama. We tell President Guillermo Endara, his Cabinet members, and the Public Force commander, that here are 74 Panamanians, 75 including Maj. Mascunana, who is still on Coiba, determined to work for Panama so a new, strong, and democratic fatherland emerges from the ashes.

[Reporter] Did anyone die?

[Alonso] No one died. The prisoners of war taken to Coiba are here. Although we do not want to give further details, we are investigating the whereabouts of fellow officers who were removed from Coiba. We still do not know where they are, but I do not want to say more because I do not want to exaggerate. We are looking for the officers who were taken to Panama but have not been seen since. We want to make sure that those who left Coiba without explanation are alive and well. If that is not the case, we want an investigation to discover what happened to them.

[Reporter] Some things were not explained after 3 October in the public account of the event. What happened to the high-ranking officers who participated in the coup? Were they executed by Noriega himself?

[Alonso] The events that took place on 3 October are still under investigation. We were left isolated. Some of us were at the Modelo jail and others at Fort Cimarron. We did not have contact with any relatives or with the press. We did not have anything. We are now readjusting to the situation, to the sun, to setting foot here in Panama. We are now learning about what is happening. In due time, with the information we have and with the information we are receiving, we will give a satisfactory account. I want to be careful, as a reporter and as a spokesman for this group of officers, not to say anything that might hamper things or alarm the citizens. The matter is under investigation, and we will report what we know in due time. [end recording]

PAPO Supports New National Government

PA2912145989 Panama City Radio Mia in Spanish
2205 GMT 28 Dec 89

[Statement by Carlos Ivan Zuniga of the People's Action Party, PAPO, on 28 December—read by announcer]

[Text] PAPO greets with rejoicing the restoration of the sovereignty of the Panamanian people represented in the recognition of the winning candidates in the May elections.

The struggle against and the sacrifice caused by the deposed dictatorial regime, which trampled upon Panamanian sovereignty, left our homeland in unprecedented material ruin with the sad occupation of our territory by foreign troops.

PAPO hereby declares that this is the time to strengthen the solidarity of all sectors that advocate democracy around the new national, legally-elected authorities through the generous contribution of necessary efforts to rebuild every aspect of the country and tidy up our morals, particularly to improve the standard of living of the neediest sectors in our population.

Restoration can only be achieved through the absolute rule of law, which will permit the enforcement of justice without discrimination or extenuation that offend the sense of full respect for human rights. We consider to be correct the new foreign minister's stance to struggle for a neutral state, based on law and without an army. If we succeed in establishing a civilian police like that of Costa Rica, this would somehow compensate for the difficult hours through which our national identity is passing. There is not the slightest doubt that the Foreign Ministry has found national support for this proposal. We declare our willingness to participate actively in the effort to restore democracy soon and firmly begin the country's reconstruction so that the occupation troops can leave our territory as soon as possible. In this way, we will be able to perfect our national sovereignty, the finest desire of all Panamanian patriots.

We are convinced that the new government is aware of its high responsibility toward our people. A change is required. No more corruption or privilege for armed or class minorities. Political privilege must be eliminated to honor genuine participatory democracy. The vices of sectarianism or justice to benefit those who lead must give way to what the people demand—a government at the service of the lowly majorities and impartial justice based on what is right. The new government, by example, must reinforce our domestic virtues. This would be the greatest possible contribution to strengthening our sovereignty and democracy.

With this stance, PAPO responsibly and eagerly supports the new Panamanian Government.

[Signed] National Executive Committee, People's Action Party.

[Dated] 28 December 1989, Panama City

Cargo Transport Union Backs Government

PA3112041789 Panama City LA ESTRELLA DE PANAMA
in Spanish 30 Dec 89 pp 16, B7

[Communique issued by the National Union of Cargo Transport Salaried Workers (Sindicato de Trabajadores Asalariados del Transporte de Carga—SINATRAC), in Panama City on 28 December]

[Text] The painful and inevitable events we have gone through since Tuesday, 19 December, are comparable to the torment all women feel when giving birth to a child.

We, the workers, have the full moral authority to tell about the disastrous state we were living in. Unemployment, bad working conditions, lack of money, high cost of living, corruption, lack of medicine, family break-up, moral crumbling, and vanished liberties are just a brief summary of how the national crisis could best be described. The deepening of this crisis and the disproportionate concentration of political power painfully indicated that a possible way out could not be exclusively peaceful.

We are the first to regret the foreign intervention to solve a national problem. We deeply regret the toll of dead and wounded, mainly from humble sectors of the Panamanian people. We again repeat our demand that the foreign troops leave our territory as soon as possible.

The looting of businesses poses a serious problem regarding the jobs of thousands of workers. This task should be faced with creativity, social justice, without revenge, and with respect for current labor laws.

We are willing to make sacrifices for national reconstruction and reconciliation among Panamanians. We hope that words become true and irreversible deeds.

We salute with confidence the new government. We will continue to brandish the flags of national liberation, with full respect for the Torrijos-Carter Treaties and for respect for human rights of all Panamanians.

Panama City, 28 December 1989.

Luis Velasquez, personal identity number 8-6-43
SINTRACT Secretary General.

TV Nacional Workers Support New Government

PA3012003289 Panama City Televisora Nacional
in Spanish 2300 GMT 28 Dec 89

[Communique issued by the workers of Televisora Nacional in Panama City on 28 December]

[Text] We, the workers of TVN [Televisora Nacional], who like other professionals were put under the will of those who ruled the country in the past, wish to express that we believe in the call for national reconstruction and reconciliation made by President Guillermo Endara Galimany and Vice Presidents Ricardo Arias Calderon and Guillermo Ford. It is important now, more than ever, without hatred or ill feelings, to redirect the fatherland to the path of peace and progress, thus avoiding the mistakes made by the past regime. The support and understanding of those who have impartially analyzed our reality in this television channel move us, today more than ever, to contribute our best for the well-being of Panama, which has suffered so much. Our consciences are clean; for this reason, we have reported to our job to face the big challenges that lie ahead, trusting the Lord will guide us. Panama, 28 December 1989 [signed] Jorge

Isaac Guerra [Identification No.] 8-150-809; Maria del C de Fong 8-237-2740; many signatures follow.

New Government Rebuilds Public Administration

PA2912193289 Panama City ACAN in Spanish
1415 GMT 29 Dec 89

[Report by Sixto Martinez]

[Text] Panama City, 29 Dec (ACAN-EFE)—The new Panamanian Government led by President Guillermo Endara is trying to rebuild the public administration from a building in downtown Panama City surrounded by barbed wire and U.S. troops.

"The ministers are driving to their offices and government officials are returning to work," Endara's spokesman Anel Beliz told ACAN-EFE today.

Now, 8 days after the U.S. invasion on Panama, which immersed the city into a chaos of explosions and looting, banks are opening their doors to the public and people are returning to the streets.

The new authorities have given absolute priority to ensuring that basic services such as food, fuel, medicine, water, and electricity are being provided.

"President Endara has not yet signed any decree. We are sending notes to ministers and government officials so they can ensure that basic services are provided," Beliz said.

Endara, 51, was sworn in as president on 20 December, a few hours after [as received] the U.S. invasion began, but it was not until Wednesday when he was recognized by the Electoral Tribunal, which annulled the elections held last May.

The elections were annulled before the results were made public by the government led by Gen Manuel Antonio Noriega, who remains "as a guest" at the Apostolic Nunciature, but the Electoral Tribunal considered valid some vote tally sheets held by the Metropolitan Curia—which confirm the opposition's victory.

Opposition leader Endara formed a cabinet of 12 ministers and appointed several officials to top administrative positions, including Jorge Endara as general director of the Social Security and Rogelio Cruz as the attorney general.

The administration of justice is on recess until next week while the payment of salaries and pensions to the numerous public employees returns to normal.

The new administration has begun operating from the Foreign Ministry building in downtown Belisario Porras Plaza because the Palace of the Herons, the presidential office, was looted following the U.S. intervention.

Official U.S. spokesmen have stated that the area continues to be surrounded by U.S. troops in combat dress because the new authorities have requested it for security reasons.

Many of the ministers have not yet taken possession of their offices, in some cases because they are "in very bad condition," according to presidential spokesman Anel Beliz.

However in other offices, the intervention of the U.S. forces is apparently being stepped up.

A Panamanian diplomat who asked to remain anonymous told ACAN-EFE that U.S. soldiers and civilians are taking note of all the documents left by the previous administration at the Foreign Ministry building.

Leonardo Kam, foreign minister during the previous government, was arrested on Wednesday and was apparently taken to a U.S. military base in Panama, according to his wife.

In addition, the new government is trying to reorganize the former defense forces, which have controlled the country since 1968, and is turning it into the "Panama Public Force," the goal of which will be, at least initially, to serve as a police force.

Col Roberto Armijo was appointed commander of this force replacing Noriega, the country's "strongman" since 1983.

Finance Minister Appoints Director of Revenues

*PA3012013189 Panama City Circuito RPC
Television in Spanish 2300 GMT 28 Dec 89*

[Text] [Announcer] Finance Minister Mario Galindo today announced the appointment of Certified Public Accountant Francisco Young as the new general director of revenues. Minister Galindo also mentioned the efforts being undertaken to obtain fresh money as soon as possible.

[Galindo] I prefer not to mention concrete or specific actions, because the pertinent agreements have not been formalized yet. Right now there is a commission in the United States which is made up among others by Guillermo Chapman, Marco Fernandez, and I believe Fernando Eleta. They are making the necessary contacts to obtain the release of Panamanian funds that were frozen for various reasons. Those efforts are on good footing, and we hope that in the near future Panama will begin using those funds that are currently in U.S. banks.

[Begin recording] [Reporter] We understand that you will soon announce the name of the new director of the General Directorate of Revenues. Can you tell us his name?

[Galindo] This morning I met with the official who will be in charge of this important Finance Ministry branch. I had a hard time convincing him, but he finally accepted

the position. He is Certified Public Accountant Francisco Young, who is not only a competent professional, but also a man of proven honesty. This appointment shows—not only in appearance, but in reality—that this government will handle public funds with honesty, ability, and efficiency. I am sure I have chosen the right person for that position.

[Reporter] Regarding the plan for the country's recovery, do you have any special plan or will you implement the plans prepared by the Civic Democratic Opposition Alliance [ADOC]?

[Galindo] The ADOC plans will be implemented. The plan for the national recovery—which was presented to the citizens during the electoral campaign—was not improvised. It is a coherent, well-structured plan, which will remain as a master plan for rescuing the country from the economic crisis into which it has sank.

Among other things, that is the plan which is being presented abroad in order to obtain the necessary financial assistance to start working.

Although the community may be aware of it already, we will repeat this, as it helps build confidence: All the banks in the Panamanian banking system agreed on 27 December to cash checks drawn against the National Bank, as long as the sum is not above \$1,000. Therefore, anyone currently holding checks drawn against the National Bank—payroll checks, pensions for Social Security retirees—all those checks can be cashed not only at the National Bank, which is the issuing bank, but at any bank operating under general license. This means that a large amount of cash will be quickly injected into the economy. In other words, the time when government checks were only worth the value of the paper on which they were printed is over. That measure has already been adopted and will probably be implemented today. [end recording]

Mayor Cochez on Mayoral Office Reopening

*PA3012002989 Panama City Televisora Nacional
in Spanish 2300 GMT 28 Dec 89*

[Interview with acting Panama City Mayor Guillermo Cochez by unidentified reporter on 28 December—recorded]

[Text] [Cochez] We will open the mayoral office tomorrow, but we ask the citizens to be patient, because we will be entering the offices with the personnel for the first time. We have discovered disorder, especially at the license plates area. Everything was scattered around there; I smell something there [chuckles].

Most employees will start working tomorrow. Some have already been assisting the Metropolitan Sanitation Directorate in cleaning up the city.

This administration must follow the principle put forth by President Endara of reconstruction and a reconciliation among Panamanians. To achieve this, we must work

hard within our institution, which is among the largest public sector employers of Panama City. The number of employees is perhaps excessive.

We will eradicate anything that runs counter to respecting workers' human rights and the persecution of other employees because our administration cannot allow evils of the past to continue. I am referring to the Dignity Battalions and CODEPADI [Committees for the Defense of the Fatherland and Dignity] and the persecution that they unleashed against public employees.

I believe that we will make very important contributions to the city's rebuilding although I will only be here temporarily. Some people believe that my post of legislator is incompatible with that of mayor; that I would have to give up my seat at the legislature. Until this situation is defined, we will channel all of our efforts into building a model city not only in Panama, but in many Latin American cities.

[Reporter] Will there be any leadership changes within the municipality?

[Cochez] There will be a complete change in the leadership of the municipality of Panama. All department heads have been advised that their positions are temporary. Those who did not persecute fellow workers during the crisis and honest employees need not worry. However, those who did otherwise and those who took home things that do not belong to them, will be fired. I will need the help of all honest and conscientious public servants because I have been in charge of this office for only 30 hours and realize that, as in all other jobs, one needs the help of competent and professional people who know what they are doing. Therefore, those employees' jobs are secure.

Radio Hails Noriega's Fall as 'End of Satan'

PA3112150689 Panama City Radio Continente in Spanish 1527 GMT 30 Dec 89

[Station commentary: "The End of Satan"]

[Text] When a group of military officers seized the reins of power in a murderous and brutal assault on 11 October 1968, they opened the doors to the most abominable phase of our institutional life. They opened the doors to an ominous dictatorship that spewed the most extreme and disgusting forms of infamy, crime, robbery, and improvisation over the past 21 years. From the very first moment of the usurpation of power, the nation and its people were subjected to a painful and bloody process of ridicule, humiliation, and contempt. The military and its civilian accomplices responded to the people's expressions of rebelliousness, rejection, and protest with guns, clubs, and knives, with the natural consequence of death, mutilation, and sorrow.

The military went wild and the fatherland was practically held hostage for the sole purpose of satisfying the hallucinatory desires of a process that was bent on

destroying the dignity, decorum, moral values, and desire for freedom of a nation that, from its very beginning, has built a history of heroism. Everyone confronted the dictatorship in a constant struggle in which day and night seemed to blend into each other; grief and mourning rode rampant through the skies of the Republic, oddly in tune with the heroic notes of our national spirit of rebellion.

Several attempts were made to veer us back toward democracy. Some were an outright mockery. Others were veiled with hypocrisy. Perhaps a few were sincere. Within this context, the soldier Noriega emerged, like a true national plague, 5 years ago. Noriega got ahold of the reins of the dictatorship and, from that time on, led the Panamanian state and its institutions; its people; its citizens; the nation; and its territory into the most ill-fated and criminal of all dictatorships.

The most unbelievable crimes, the most despicable wickedness, the most abject vices, and the most uncontrollable madness drew the discordant notes of the weeping of a nation that could be heard in the frigid cold of dawn, on the darkest of midnights, in the most sinister dungeons, and in the paralyzing fear that engulfed our homes. The fact is that the schizophrenic psychopath Manuel Antonio Noriega had begun the march of an unrelenting apparatus of destruction and death. Noriega himself carried the baton, the flag, and the cannon in this march, which left a horrendous trail of bodies, mutilation, ruin, desolation, and misery over which there was no control or limit. It surpassed every degree of pain and reduced the meaning of pity and compassion to a minimum.

Noriega was not Attila, Nero, Hitler, or Stalin. Manuel Antonio Noriega was, and is one step further, one step beyond, all of these men. In truth, he is worse than all of them put together. He is the beast of all times, the sum of everything that is evil, the thesis and antithesis of treason to the fatherland. He is the pride and joy of Satan and the shame of the Lord.

Today, at last, thanks to the allied support of the U.S. Army, without whose swift and victorious action we would not have been able to emerge from the tunnel of the dictatorship, the savage Noriega has been trapped. The long night of 21 years has come to an end. Our tears are behind us. The fatherland is in the hands and minds of honest citizens who were chosen by the people's will to take this nation toward the full enjoyment of democracy, justice, and freedom.

This medium hails the birth of a new nation. At this time in which the fatherland's history is being defined, it enthusiastically and patriotically joins the 2.5 million Panamanians who are lined up with Endara, Arias Calderon, and Ford to forge the grandeur of our nation and to achieve victory on the fortunate basis of unity.

Spadafora Brother Asks Catholics for 'Patience'

PA0101153190 Panama City Televisora Nacional
in Spanish 2300 GMT 30 Dec 89

[Interview with Winston Spadafora, brother of slain opposition leader Hugo Spadafora, by unidentified reporter in Panama City; date not given—recorded]

[Text] [Reporter] Mr Spadafora, since we believe you represent the people's point of view, we want your views on the decision by Apostolic Nuncio Msgr Jose Sebastian Laboa to grant temporary political asylum to former General Manuel Antonio Noriega, since all of us know what has happened since your brother, Hugo Spadafora, was murdered—a crime for which Noriega has been blamed.

[Spadafora] Before I answer your question, I want to tell the people how happy I am to speak to them through this station and other news media following 4 years of strict censorship ordered by Noriega on everything that had to do with the Spadafora family. I am very happy to live in a climate of freedom of speech. As for your question, I do not really believe that anyone in Panama or anywhere else in the world can criticize the apostolic nuncio for granting humanitarian asylum to Gen Noriega. Over all these years, Msgr Laboa has granted humanitarian asylum to many people persecuted by Noriega's military dictatorship.

I think he did what he had to do as a man of the church. In a letter I sent to the nuncio on 25 December, I expressed this view. Now, I do not think the humanitarian asylum the nuncio granted can be criticized. However, I think humanitarian asylum is one thing and political asylum is another thing. I do not think Noriega qualifies for political asylum either at the Vatican Embassy—since the Vatican does not recognize this aspect of international law—or anywhere else in the world. Noriega is a common criminal. As such, he does not qualify for political asylum, according to international law.

[Reporter] Can we take these comments to come from Hugo Spadafora's brother, a legal expert, and a very religious person....

[Spadafora, interrupting] Allow me to interrupt you. If anyone is entitled to a thirst for vengeance against Noriega, it is I. As I have always said in my public utterances over the past 4 years, I do not harbor the least desire for vengeance. However, Noriega must stand trial and pay for each and every one of the crimes he committed in Panama and abroad.

[Reporter] The public here is bitterly questioning the nuncio, even threatening to leave the Catholic Church. What can you tell the Panamanian Christian community?

[Spadafora] I would tell Panamanian Catholics to be a little more understanding and a little more patient. Things will be resolved as the Panamanian people want.

I agree with well-known local legal experts that the extradition treaty signed between Panama and the United States in 1904, and reaffirmed by the 1977 canal treaties, enables and authorizes Panamanian authorities to hand Noriega over to U.S. authorities. As a practical man, I think that Noriega would be safer in a U.S. jail than in Panama.

I ask Panamanian Catholics to be a little more patient and understanding. The nuncio's actions are headed in the right direction. I believe all of us will feel satisfied over the outcome of this harrowing experience.

[Reporter] Thank you, Mr Winston Spadafora.

[Spadafora] If the people will allow me, I want to report something I deem of national interest. We captured one of the persons who killed Hugo. He was captured in Paso Canoas. He is in a safe place in Panama City. We are after the other two persons accused of perpetrating Hugo's murder, namely, the infamous Bruce Lee and Omar Vega Miranda. We are now directly seeking one of the chief culprits, who is on the lam. I mean Luis Cordova. We are closing in on him.

[Reporter] In this regard, the news media reported that you sent some evidence to the nunciature. Can you mention any?

[Spadafora] I have not sent any evidence to the nunciature. In my letter, I told the nuncio we had absolute proof that Noriega masterminded the crime. We have additional evidence from former Panama Defense Forces members to prove it. For security reasons, I think it is inadvisable to mention their names. I want people to know we have proof and are gathering more evidence to prove Noriega masterminded the base and cowardly murder of Hugo Spadafora.

Dean Accused of Dignity Battalion Activities

PA0201184090 Panama City EL SIGLO in Spanish
2 Jan 89 p 5

[Report by Blas Julio]

[Text] A very reliable source has said: "Cecilio Simons, dean of Panama University's Business Administration faculty and one of the most dangerous members of the incorrectly named "Dignity" Battalions, is a danger to our university."

The source added that Simons commands some fearful thugs known as MAN. Two years ago they destroyed the International Relations Students Association's facilities, causing property damage in excess of 20,000 balboas.

Chiriqui Arms Cache Moved to Southern Command

PA0201194990 Panama City Circuito RPC
Television in Spanish 1750 GMT 2 Jan 90

[Text] A large shipment of weapons seized by the U.S. Army in Chiriqui Province was transferred to the Southern Command in 31 container trucks. This is only

the first group of weapons sent, since more are expected to be found in other unfriendly areas of the province.

Camilo Franceschi Jr., the new secretary general of the Chiriqui chapter of the Truck Drivers Union (Sindicato de Camioneros), notes the effort:

[Begin recording] [Franceschi] The transfer of these weapons was requested by a person in Panama who has a contract with the Southern Command to move all weapons seized in the province. So far, 25 vehicles that belong to the union's Chiriqui chapter, and 5 or 6 vehicles from Panama, arrived this morning.

[Reporter] What other cargo you are carrying besides weapons?

[Franceschi] This is just weapons and ammunition seized in various parts of the province. I believe this is all that will be transferred now. This load is going to the Southern Command in the canal zone. I must take advantage of this opportunity to inform the people that the group here with me and many others who are not here have taken over leadership of the union, which was being mismanaged—as if it were the private business of three or four people.

Once again, I must also underscore that the union is thus contributing to the country's adjustment and the reestablishment of democracy and freedom. We support the new government led by Guillermo Endara.

Argentina

Foreign Ministry Reasserts Claims Over Falklands

PY0301002190 Buenos Aires TELAM in Spanish
2300 GMT 2 Jan 90

[Text] Buenos Aires, 2 Jan (TELAM)—Today the Argentine Foreign Ministry reasserted Argentina's sovereign rights over the Malvinas Islands, the South Georgias, and the South Sandwich Islands and their respective territorial waters. The Argentine Foreign Ministry reasserted this claim on the occasion of the 157th anniversary of the British occupation of the southern archipelago.

In a communique the Argentine Foreign Ministry states that "Argentina has the firm will to recover sovereignty through negotiations. Moreover, it is convinced that the current dialogue with the United Kingdom's Government will lead in due time to a just and lasting solution to all pending problems affecting the two countries."

In addition, the Institute of the Malvinas Islands and Southern Argentine Territories has expressed its "repudiation over the intransigent attitude that the invading country has adopted by refusing to discuss the sovereignty issue." In its communique the institute states that the UN General Assembly "has recommended the complete eradication of the crime of colonialism in all its forms and expressions."

The institute adds: "Through the negotiations that have been undertaken, Argentina has reasserted its desire to resolve the dispute, but this institute [words indistinct] has been a victim and because of it, the cause of peace will be forever threatened."

Administration's Economic Principles Reaffirmed

PY3012023289 Buenos Aires Argentina Televisora
Color Network in Spanish 0101 GMT 31 Dec 89

[Speech by Economy Minister Antonio Ernam Gonzalez from the South Hall of Government House on 31 December—live]

[Text] People of Argentina: I have made a great effort to avoid speaking tonight so as not to burden you once more with the repeated image and message of an economy minister making announcements, giving warnings, and proposing solutions to solve our problems, particularly just before the New Year celebration, which is an occasion for enjoyment, hope, and happiness with our families.

However, the known circumstances aggravated by the false rumors about possible changes in the economic program now being implemented have convinced me there was a need to speak to you and, as economy minister, to assume the responsibility for telling you that the government shares your justified anguish, particularly the anxiety of the poorest sectors.

We are convinced that the essential guidelines of President Menem's economic program—that is, state reform, the program of privatizations, tax reform, market deregulation, the integration of Argentina with Latin America and the world, the elimination of privileges and special favors for the most powerful, and the appeal to the private sector responsibility—are absolutely correct.

However, we are also painfully aware that the reappearance of the hyperinflation we had when we took power, a hyperinflation that we could only slow down in the first 4 months of our administration, is hitting workers, pensioners, and the poorest families as never before.

We want to convey to you a simple message: The only changes we will introduce in the economy at this time will be to turn this tearing social injustice around. No matter how much it hurts the speculators, the privileged, and those who have been abusing the effort of the Argentine people, we will not adopt measures that burden the working people with the costs of redressing the large imbalances of our economy.

We therefore categorically deny the irresponsible information that has been disseminated by those who confuse their technocratic theories with our government programs and the rumors that have been transmitted without much thought by some media. We reiterate our commitment to recover the value of people's work and savings and to stopping this crazy race of price mark-ups and scarcity.

Rural and city producers should also stop worrying because they will not be saddled with new burdens that could make them lose their legitimate right to receive just compensation for their productive effort. We fully reaffirm the president's speeches at the Rural Society and the Argentine Industrial Union.

The government knows well that the adjustments must begin at the state level, and they must proceed through the deregulation of the economic variables. However, we will always protect the poorest and spread the burden of the adjustments among those who can support the most. We ask all Argentines to await the complementary economic measures with trust. The members of this government do not represent any particular sector but the entire Argentine people. We share your objectives to definitively resolve our problems and woes. Once the measures are well coordinated and we are sure that the legitimate interest of all sectors is contemplated, we will release them.

Meanwhile, we ask you to celebrate the New Year with faith and hope because President Menem's government knows, just as you do, that the year that is finishing has been a hard one. May God bless you.

Presidential Adviser on Economy

PY0301013090 Buenos Aires Argentina Televisora
Color Network in Spanish 2300 GMT 2 Jan 89

[Speech by Alvaro Alsogaray, presidential adviser on foreign debt matters, on 2 January; place not given—live or recorded]

[Text] Good evening, ladies and gentlemen. I am speaking tonight at the special invitation of Buenos Aires Televisora Color Network and the Radio Broadcasting System to make my humble contribution to clarifying the confusing state of affairs in which the country is involved and the measures dictated by the economy minister last night to resolve the uncertain situation.

Everyday, at all hours, on the radio and in the streets, people ask me: Shall we overcome? My usual answer is yes, but this answer is not absolute, because I think we will overcome only if we can implement certain measures. Let us look at the two sides of the coin. First, if we look at everyday life, at what happened this past weekend, at how salaries and the December bonus evaporated, at the price increases—if we look at all this, things seem really bad. We live in confusing and difficult times.

If we look from a certain perspective, however, to see where we are going with the economic policy—which was drawn up and designed by the economy minister, and complemented last night by his speech—we see a totally different picture. The country has a promising future, as I will try to explain. The transition from today's problems to what can be a prosperous future is what we have to undertake.

I feel like I am risking my career today because during more than 30 years I have been the outspoken representative of a line of thought that now coincides to a large extent with the government's economic policies.

However, I am not part of the government, and I am not responsible for these policies, so it is an act of faith to throw my weight behind them and support them. If I am wrong, it is my bad luck, but I think I am not wrong.

Why are we in this situation, and why was there an urgent need to intervene? In the past few days we were again living with a hyperinflationary psychology. There were no prices; the trade chain was broken. No one wanted to give you a price for any good or service, because there were no indexes to go back to. There was an impression that everything was crumbling, that the dollar was skyrocketing, that the dollar would reach 4,000 or 5,000 australes. Prices were rising sharply despite the fact that we lived with price controls until recently. The production and trade chain was broken, giving the sensation of total paralysis.

I am not going to go into the roots of the problem because we do not have time for that. However, I do have to refer to some essential aspects to make clear what is happening.

What was, and is, the most important problem? The indebtedness. The country,—or rather, the government or the state—is greatly indebted. The foreign debt is \$60 billion. The internal debt, even though smaller, fluctuates between \$3 and \$6 billions.

This internal debt, however, was maturing every 7 days. Each week we went through the agony of renewing the debt. It is something like a fellow who has a debt and every weekend has to go to the lender or the usurer to beg him to extend the debt, each time paying higher interest rates. We had something like a taxi meter working at full speed. This situation forced even some first-class foreign banks to pay an interest of 2,000 percent per year, that is, 45 percent a month. [figures as heard] This is simply ridiculous.

In this way, the debt that matured every 7 days doubled in size every month. Every month our domestic debt doubled. All this was going to explode at any time. As large sums matured, people were going to withdraw their deposits. The dollar price was going to skyrocket, and today or tomorrow we would have had a real catastrophe.

That is why we needed to act. We have to recognize the courage and decisiveness of the president and the economy minister for confronting the matter head on and proceeding as they did last night.

Why are we in this situation? The answer would also be too long and repetitive. Let us just say that the situation was not God's punishment or just our bad fortune. We have made many mistakes during many years, and these mistakes have been compounding. During the past 5 years the situation deteriorated fast. Regrettably, some members of the government at the Economy Ministry in the past 6 months did not understand the serious transformation that the president wanted.

I could give details, argue, or discuss these matters, which brought about the situation that had to be dealt with last night. I admit it was an act of courage similar to the one after the swearing-in ceremony on 18 December, when the economy minister spoke and changed the history of the country.

What did the minister say last night? I will only mention the essential points. The internal debt was growing like a huge snowball, doubling in size every month. The snowball had to be broken up somehow. To do this it was decided that all internal debts would be changed to export bonds, which are dollar-pegged instruments issued by the Argentine Government. They have been respected by the people and by governments. All governments have respected them lately, and therefore they are tied to the dollar. Thus, a debt in australes has been changed to a debt in dollars.

The money supply will also be restricted. From now on the austral will be scarce and thus be worth more. They will be even more scarce if we consider that the government will stop printing currency. However, to do this we

have to attack the causes forcing the issuance of money. Central Banks do not issue money because they are evil. The reason is that they have to finance government deficits when the government cannot administer its accounts. When taxes, public borrowing, and foreign borrowing are not enough to cover the deficit, governments just print money. With this mechanism the government temporarily solves its problems. The price is inflation, which is paid by the people as a whole.

The government will stop printing australes, but for this measure to be effective deficits must be eliminated. The elimination of the deficit is a hard job, but the government does not have any alternatives. It is essential for the state not to spend more than it should. This is a simple secret, old as humanity. No one can create something out of nothing; no one can spend what he does not have. When we can accomplish this, even with forced indebtedness or some other mechanism, the accounts will be paid. This is the regrettable situation of the country at this time.

Now that the taxi meter has stopped running, we have time to think and organize an overall program of coordinated measures to rebuild the country. This change has recognized the reality that the state was bankrupt. It was practically bankrupt. Creditors and savers who had their money in banks have been told that we were bankrupt, that we could not pay. There is no money to pay. We asked them to accept an extension guaranteed with bonds; that is, now their capital is saved, but they will have to wait a little to recover it.

There were similar situations in other countries. We have seen various cases in the world's recent history. One of the better known ones is the case of the FRG in 1948. There was an immense mass of worthless money. They used an even more drastic procedure. They simply broke the snowball in pieces and gave each saver 40 or 50 marks and told them to begin anew.

Here, fortunately, there was no need to resort to such drastic measures. Instead it is said: Gentlemen, we cannot pay you today, but we are going to respect all your capital. We are going to respect the right to property above all. However, we need some time, and that time we have won in this manner.

Moreover, this means a very important thing. With this measure we are trying to defend our money. The other alternative was to give up the austral and adopt the dollar. That is what the people have been calling the dollarization of the economy. We have been giving up part of our sovereignty. I believe we are still in a position to make an effort to save the austral, which can still become a respected currency in the world.

I do not want to boast of this, but I want to tell you that from 1959 to 1961 we lived through a similar experience. The Argentine peso was crumbling, but 18 months later the Argentine peso, the national money, was declared the best money in the world. This money, through the IMF,

was loaned to other countries. For 3 years the dollar was exchanged at 83 pesos. For political reasons this stability was later lost.

It would have been ideal for all this to have been done at once on 8 July, but that was not possible, because the change of government was not scheduled for 8 July. The change of government was scheduled for 10 December. On 8 July, the government was thrown to Dr Menem, who was told: Take charge of the government, Sir. We could almost say that the previous government was running from its responsibility. There was no time to prepare a simultaneous overall program, or to organize the working team. The government had to improvise, adding more people, and organizing teams of people who did not know each other. All that helps explain the indecision of the first few months.

It is almost a miracle, a fortune for the country, that the president and the people who are working with him have had some sort of intuition to adopt the right measures, because they could have adopted other measures, and we do not know where they could have led us.

We have a little bit of time now, but we cannot waste a single minute. What has been done is to create an adequate barrier, but this barrier must be fortified. We have to do a number of things that I will mention briefly very soon. But first, I want to discuss the new scenario in Argentina.

What we are experiencing is not a minor rearrangement. It is not a patch on the economic system. It is an overall change of the system. For 40 years the state control of the economy, the interventionism, the statism, and the state control of private activity have prevailed in Argentina and have moved the country from the 7th place to the 70th or 80th place in the world today.

The president seeks to uproot that system and to begin what he calls the popular market economy. This was known to us as the social market economy. It is the same thing.

We are abandoning the statism, the interventionism, the excessive state control, etc., to begin an economy of freedom, an economy in which everything will depend on the producers and consumers, on the businessmen, on the men and women who work in this country—not on the technocrats who try to give us rules as a substitute for the markets.

On 8 December, the president announced this from the very beginning—perhaps not in the way I am explaining it, but in his own way. On 18 December, when a new economy minister was chosen, the president completed this measure by liberating prices and the exchanges. That date will probably mark a turning point between two historical periods.

If this measure is confirmed and is successful, it will mark a turning point between two periods. For 40 years we have lived one way, and now we are going to have another way of life.

What is the Argentine problem? Argentina has natural resources, it has qualified human resources. It has no social, racial, or religious problems. What does it need, then? Why are we in this hole, and why can't we get out of it? We needed an economic organization and capital.

What do we understand by economic organization, this great change? It is a passing from a state-controlled economy to a market economy. It is, by the way, something that is taking place in the world at this moment—the anti-socialist and anti-communist revolutions that are taking place in the East. Its symbol is the leveled Berlin Wall, where a state-controlled economy is changed by more liberty. It is the perestroika of the Soviet Union, which must be consolidated. We have said this, and we must do it.

For the first time in 40 years we are experiencing something like this. It needs to be consolidated, and to do that, I am going to repeat things that are well known to all—but I do not want anyone to tell me afterward that I forgot something.

The essential thing is to reduce public expenditures and to end the deficit. We will discuss how to do this. The essential thing is to privatize, to drag the country out of the economic sector. Then we must deregulate. This set of restrictions must be eliminated. Finally, we must return competition to its proper place, here and abroad. We must compete here and abroad.

This is not going to be done by the government. What the government is going to do is establish the rules of the game. Everything else must be done by the Argentines. What is new is that from now on we won't have to ask anything of the government, except that it allows us freedom of action.

I know that many people have doubts about this. Many are saying that no step backwards will be taken. The president is firm. What needs to be done will be done.

One important thing: The liberation of prices and of exchange will not cause an explosion. People have not yet forgotten the problem with Dr Pugliese, when economic freedom was erroneously blamed for the explosion that took place then. The increase in prices and the increase in the dollar exchange rate cannot be attributed to economic measures. They are the result of the previous situation.

For 5 months we had reduced inflation, and then it exploded. It has caused the fall of the previous minister. What we are experiencing now is the shock wave of the previous explosion. It is not due to the liberation of prices, but to the artificial control of prices.

This has not been understood by everyone in the country. For this reason, I have to pay special homage to

the league of housewives, because they are trying to clarify this matter, and that is very important.

The businessmen or industrialists, except for some adventurers, cannot be blamed for this, but only the wrongheaded issuance of money by the Central Bank. That is not the responsibility of each of us, but of the policies.

There are still some problems remaining from what was done yesterday. I want to mention two. There are many owners of enterprises who accrued their small savings and deposited them. These deposits were higher than one million. Now they are given only one million. Perhaps this can be corrected.

There is another more generalized and more important matter. Many companies had deposited money to pay taxes or some debts, and now they cannot withdraw them. However, these are minor problems within this great transition, which perhaps tomorrow, or the day after tomorrow, or next week, will be solved.

I think there are two important measures that must also be adopted. One is to allow the signing of commercial contracts in any money: yen, dollars, marks, whatever. This is very important for the farmers. At this moment the speculation is curiously affecting the farmers. Farmers are still withholding one million tons of wheat from the previous harvest and are harvesting soybeans. They are not selling them, because of the insecurity of the market. Let them operate in dollars and they will sell them. And more dollars will come in. I do not intend to give a lesson to anyone; I am simply pointing out some essential matters.

The other measure has to do with the matter I mentioned some time ago, regarding the foreign debt, that the deposits were made in dollars and are still at the banks. This measure functioned well during the first week. More than \$1 billion were deposited. Then the deposits slowed because the law that should have supplemented that measure was not what it should have been, but now we can remedy that.

The Argentines have money. There are \$40 billion abroad. There are \$5 billion here. We are not beggars. We have the money abroad, and we do not have anything to work with here. The idea then is to tie one thing with the other. This is the objective of the current policy.

What can we expect from this? A new scenario where we cannot expect favors from the government, but only the rules of the game. This is the great change that must take place.

Under these conditions the country will emerge much faster than expected. I am not selling any illusions. I have begun my political career saying that we must outlive the winter. You know that I am not selling illusions. Putting my head at risk for a government to which I do not belong—except for advising Dr Menem—means that I have confidence in the program.

If the objective is that which I have just mentioned, I am going to support the program, as will all the people who are with me. More than two million votes were cast for me, and they are going to support me.

The day we see that the objective is changed, we are going to complain. But I am fully confident that this is not going to happen. I believe in the firm position of the president and the economy minister. I believe that beyond the daily confusion we are experiencing, there is a future ahead of us. Everything will depend, from now on, on the government's decision to confirm the rules so we can begin to work. Thank you.

Central Bank Extends Bank Holiday

PY0301003890 Buenos Aires TELAM in Spanish
1230 GMT 2 Jan 90

[Excerpt] Buenos Aires, 2 Jan (TELAM)—In response to requests submitted by the different associations of financial institutions, the Central Bank has extended the bank and exchange holiday for another day. Originally, financial activities were supposed to resume on 3 January.

Through communique No 11,419, the Central Bank reports that the bank and exchange holiday has been extended. The communique adds that during the holiday only pension and retirement payments will be made, but that public service and tax payments may also be made. [passage omitted]

Riots in Tres Arroyos Over Police Incidents

PY0201125890 Buenos Aires NOTICIAS
ARGENTINAS in Spanish 1145 GMT 2 Jan 90

[Excerpts] Tres Arroyos, Argentina, 2 Jan (NA)—A tense calm reigned over this town and the people were nearly inactive this morning as a result of the strike organized for today by the local CGT [General Confederation of Labor] and business organizations and after the violent riots that took place last night due to the police's negligent attitude regarding the murder of a 9-year-old girl.

The last group of rioters took over San Martin Square, this town's main square, in front of the local town hall. The rioters were dispersed by infantry police forces who chased them for several blocks until they were separated into small, inactive groups. [passage omitted]

At least 15 vehicles that were burned during the riots could be seen in front of the local police station at 30 Coronel Pringles Street, only 100 meters from the town hall. The vehicles were burned by a group of nearly 1,000 protesters, including some labor activists. Some protesters carried gas bombs that were thrown at the police.

At least 25 people were hospitalized the town's Pirovano Hospital for bullet wounds. [passage omitted]

Bolivia

Defense Ministry Plans To Reinforce Border

PY0201155490 La Paz La Red Panamericana in Spanish
1130 GMT 2 Jan 90

[Text] The Defense Ministry has decided to send troops to the border with Peru to prevent guerrilla infiltration. This was reported by Defense Minister Hector Ormaechea, who said that his ministry plans to deploy some military units from regiments headquartered in La Paz, El Alto, and Viacha to border areas.

This effort is directly linked to another plan that envisions a reduction of large military garrisons located in cities, Ormaechea said, mentioning El Alto, La Paz, and Viacha as examples. He added that there are many other units that may be transferred to other unprotected regions.

The minister said that north of La Paz, beginning with the border town of Chagualle near Peru, where a Bolivian Navy unit is located, there are no other military garrisons. It is therefore a priority to study the possibility of creating two key military garrisons in this area.

The minister also mentioned other cases and border points, such as near Brazil, and he regretted the difficulty in effectively controlling these areas as established by the constitutional requirement to safeguard Bolivia's borders.

Chile

Aylwin Condemns U.S. Invasion of Panama

PY0301020490 Madrid EFE in Spanish 2333 GMT
2 Jan 90

[Text] Santiago, 2 Jan (EFE)—Chilean President-elect Patricio Aylwin today condemned the U.S. invasion of Panama. Aylwin, who is also leader of the Chilean Christian Democratic Party [PDC], called for the principle of self-determination to be upheld. During a news conference he held upon returning from a brief vacation, Aylwin expressed his regret and said that the U.S. invasion of Panama violated a basic principle: "the self-determination of peoples."

Answering some press reports, Aylwin, who was elected on 14 December, denied that he has plans to travel to the United States or Great Britain in January, "because," he said, "I have too many things to do in Chile."

Patricio Aylwin, who will replace General Augusto Pinochet in March after 16 years of a military regime, said that he will announce the members of his cabinet next week. Aylwin did not reject the possibility of holding a second meeting with Pinochet at La Moneda Palace to discuss issues dealing with the transition. However, he specified that he will not go to Bucalemu, where the presidential summer resort is located.

On 21 December Aylwin and Pinochet held a 55-minute meeting, during which they disagreed over General Pinochet's permanence as Army commander.

Pinochet's Year-End Address to Nation Reported

*PY0201132590 Santiago Domestic Service in Spanish
0930 GMT 2 Jan 90*

[Text] As we start a new decade, President Augusto Pinochet has noted that while many countries in the world are still being shaken by social unrest and tragedy, Chile has managed to reconstruct a foundation for a prosperous, free, sovereign, growing, and just fatherland.

Pinochet said that no one can stop Chileans from carrying out an exemplary economic recovery and achieving a social peace and political renewal that are in keeping with the most traditional, historic, and cultural Chilean values.

The president went on to say that his government's achievements are innumerable and that most of them can be appreciated by everyone in the cultural, economic, social, and political fields. Pinochet said that the electoral campaign and the political responsibility that Chileans exhibited through their participation represent the culmination of a phase full of achievements that benefit Chile today and guarantee the possibility of a promising future.

The president then said that each and every Chilean must continue to make his utmost effort in 1990 so that Chile may continue on the path of freedom and development.

Pinochet noted that the mission begun in 1973 has been amply fulfilled and that all Chileans must be proud. This is the result of a patriotic effort and of the generosity that is characteristic of a proud race, he said.

Pinochet said: We were the first, 16 years ago, to repudiate and point out the failure of the Marxist system that for so long violated human rights.

At the end of his message, President Pinochet said that it was necessary to preserve national unity despite the legitimate disagreements that may exist among Chileans. Only national unity will allow us to take advantage of the many opportunities that may appear, giving future generations a country in which they will be able to fulfill their dreams, he said.

PCCh Leader Denies Rumors of Party Crisis

*PY0201191790 Santiago Radio Chilena Network in Spanish
1600 GMT 2 Jan 89*

[Text] Julieta Campusano, a member of the executive board of the Communist Party of Chile [PCCh], has stated that the party is not suffering a crisis—in fact, quite the opposite. She said that they have managed to remain united despite having lived clandestinely for the past 16 years.

The Communist leader said that, within the internal evaluation process the party is carrying out, there are several points of review that will serve to renew it, based on a critical approach.

[Begin Campusano recording] We are not experiencing a crisis. To our credit we have emerged united, under a sole leadership, and with a sole party, after 16 years under a fascist regime. During these past few days I have visited several areas of the country, various regional branches, and talked with hundreds of militant comrades and thousands of friends—both men and women—who voted for our candidates. I never heard anything about the problems mentioned here. No. The people, the masses, are concerned about other things. They are concerned about, and view with great pleasure and hope, what we have achieved. [end recording]

PCCh leader Manuel Cantero acted as spokesman during the news conference. He said that the PCCh was not defeated during the December elections, and that they only experienced one defeat; and that was in 1973.

[Begin Cantero recording] First, we do not consider that we were defeated at the elections. That was not a defeat. We were defeated—and I will repeat myself because it is a good example of a defeat—in 1973. We were defeated when the Popular Unity government was overthrown by force by the Armed Forces. That was a terrible defeat, marked by a bloodshed from which our people have still not recovered, and although progress has been made toward the recovery of democracy it has still not been concluded. [end recording]

The PCCh is organizing a series of activities to celebrate its 68th anniversary. Among them is a rally to pay homage to Luis Emilio Recabarren and a ceremony scheduled for the 4th [not further identified] during which Volodia Teitelboim will address various political, national, and international issues.

The Communist leaders also said that within this framework, they will start working for the legalization of the party.

Central Bank Reports Economic Growth

*PY0201205990 Santiago Radio Chilena Network
in Spanish 1600 GMT 2 Jan 89*

[Summary] The Central Bank has reported that the Chilean economy grew by 10.4 percent in the last quarter of 1989. It is estimated that the economic growth for 1989 will total about 10 percent. On 30 November there was surplus of \$1,495,000,000 in the commercial balance and reserves totaled \$2,946,000,000.

Colombia

President Barco Addresses Nation

PY0201151890 Bogota Inravisión Television Canal 2
in Spanish 0100 GMT 2 Jan 90

[Speech to the nation by President Virgilio Barco; date and place not given—live or recorded]

[Excerpts] Fellow countrymen, this 1 January is not only the beginning of a new year but also of a new decade. I would like to convey to all Colombians my cordial greetings for the new year and my best wishes that peace be consolidated in 1990 and that this new year bring prosperity and well-being to your homes.

The year that has just ended was marked by great contrasts. In 1989 the violent minorities increased their attacks against Colombia and against democracy. These minorities have murdered illustrious public personalities and indiscriminately attacked hundreds of innocent citizens. Simultaneously, however, Colombia has firmly reacted to these attacks and is now successfully overcoming these challenges.

With all of your help and the active solidarity of citizens, the authorities have decisively and successfully fought criminal organizations whose crimes no longer go unpunished. We will continue to fight until the violent groups are definitively defeated. The government's efforts over the last 3 years to strengthen the Armed Forces, the security organizations, and the judicial branch have produced favorable results and confirmed that we will have better times in this new decade.

We must continue our fight with firmness. We will be asked to sacrifice further, but we can harbor hopes for a future free of the threat of drug trafficking and terrorism. The world now sees Colombia in a new light. Colombia is considered a courageous nation that has been fighting to defend its democracy and to defend humankind from the scourge of drug trafficking. We have urged the industrialized countries to assume their responsibilities and to make efforts, similar to those being made by Colombians, to fight the scourge. We have also asked them to double their control on drug consumption. A lot has been achieved. Most of the industrialized countries realized that it was important to fight drug consumption and began to act more firmly. As a result, there will be a considerable decrease in drug consumption in the next decade.

Our achievements in the social and economic fields also give us hope for the new year and for the years to come. The following data, which is included in the National Planning Department report on the social and economic sectors balance for 1989, confirms this hope. [passage omitted]

We will have to face countless challenges over the next few months and in the next few years. There will be

many difficulties, and we will probably have new problems. We still have a long way to go before achieving peace, social justice, and economic development, but we have undoubtedly achieved much in these fields. We have the necessary conditions and capacities to achieve these goals. The changes we have already made will serve as a solid foundation for the construction of the new Colombia for which we all yearn.

This is the time to meditate. We must now plan our future and reinforce our proposals for this future. I urge you all to renew with me our agreement for Colombia. May our joint efforts to make Colombia greater be more vigorous every day. May all those who try to create obstacles to Colombian progress be left behind. Building the future is not an easy task. It calls for dedication, serenity, firmness, discipline, and patriotism. I am sure that we will have all the virtues necessary ensure progress and to achieve our goals. The enemies of the fatherland will not succeed in destroying our national decision to progress. It is the responsibility of each Colombian, each public employee, each peasant, each businessman, each worker to consolidate the great changes that we have already implemented for the beginning of this new decade.

My best wishes for this new year. Thank you very much.

Vows To Continue Drug War

PA0201143190 Bogota Radio Cadena Nacional in Spanish
1215 GMT 2 Jan 90

[Text] President Virgilio Barco reaffirmed his administration's determination to struggle against organizations engaged in crime and terrorism. During 1989 he was supported by the Armed Forces, whose actions were deservedly acknowledged by Colombians.

Barco said on 1 January that the war against terrorism will continue until it is completely defeated. He also called on industrialized nations to control their citizen's demand for drugs as a contribution to and support for the war being waged in Colombia by the government.

He made these statements in his New Year's message to Colombians.

Paraguay

Opposition Party Issues Statement

PY0201182390 Asuncion HOY in Spanish
30 Dec 89 p 18

[Text] In the speech delivered on 29 December, Juan G. Granada, the first vice president of the Febrerista Revolutionary Party [PRF], evaluated the achievements of 1989 and proposed a social pact for the upcoming year.

Granada said that the government has no major initiatives. "The government is more interested in maintaining public order like a policeman. This is a typical

fault of the Armed Forces." The PRF believes that we are going through a protected and consensual transition, "in which the Armed Forces play one of the roles in the political process that began in February. The Armed Forces are protecting and controlling the political opening, and are thus becoming one of the main protagonists."

Concerning the political parties, Granada said that most of them accept the rules of the game of tutelage. He said: "Their participation in the May elections and in congress is part of a plan to gradually gain more freedom. Some important steps have already been taken, like the abrogation of Laws 209 and 294, and the signing of the San Jose de Costa Rica pact."

He added: "Congress has become a sounding box for the concerns of the people and has recovered its legitimacy in the eyes of the public. Political parties are operating within the framework of a consensus." He said, however, that this consensus has not been endorsed by accords "with respect to the deadlines and the methods of the process, that is, no democratic pact has been reached despite the fact that a pact is increasingly necessary to make the process less dependent on the president's political will."

The Febrerista Party says that during this short period the Armed Forces have sought to reorganize themselves, "as reflected by the personnel administration reform, by the reorganization of the Army and of its territorial administration, and by the efforts to separate the functions of the Colorado Party from the military institutions."

The Febrerista Party, however, deplores that "the mistakes of the previous regime continue. The Armed Forces still control one third of direct public spending, while neither security nor defense policies have been changed. The number of military personnel remains excessive, investment remains low, and professional level remains poor. These are the features of a regime that dispenses favors."

The Febrerista Party also maintains that the Armed Forces remain responsible for internal security, and that "the incidents with the Itaipu workers are the high price paid for the error of entrusting these duties to the Armed Forces."

Another paragraph of the message read by Granada says that the people are organizing themselves, that they are striving to strengthen their organizations and struggling for basic demands like "freedom of association, salaries, land, and housing. In a conservative way, the social organizations have posed their pressing demands, showing their capacity for action and their increasingly significant role, despite the continuing heritage of repression and disunity."

The Febrerista Party believes that a democratic social pact between the government, the opposition, and the

social organizations is essential to guarantee the transition toward a state of law. This pact should set the deadlines and the methods of the process, "seeking to promote a more fair distribution of wealth. Any future democracy will never be stable if surrounded by growing poverty."

The PRF is willing to continue to support the process of political opening, "provided it is not curtailed by authoritarian retrogression. We believe that democracy must necessarily be coupled with social justice and with the participation of the people. We cannot conceive the idea of a free society which comprises a majority of impoverished people living in misery. Paraguay today has an unfortunately heavy burden of exploitation and oppression in several sectors."

Guyana

President Hoyte Delivers New Year's Message

FL0201144290 Bridgetown CANA in English
2039 GMT 1 Jan 90

[Text] Georgetown, Guyana, Jan 1, CANA— President Desmond Hoyte on Monday designated 1990 the "year of intensified effort and greater self-reliance" in Guyana. In his New Year's message, he forecast that 1990 will see much economic activity in Guyana. It was, he told the nation, "a year that holds out great possibilities and bright prospects."

In the 15-minute message broadcast simultaneously on radio and television, Hoyte also called on Guyanese to organize themselves to take maximum advantage of the opportunities emerging here. They should show friendly countries helping Guyana that Guyanese are prepared to help themselves and to be as self-reliant as possible, he suggested.

He unveiled a number of what he termed "exciting developments":

- Guyana Exploration Ltd., a U.S. company exploring offshore, will begin drilling for oil during the first half of this year.
- Hunt Oil, said to be the largest independent oil company in the United States, will begin exploring for oil onshore in the Takatu Basin this year.
- The government hopes shortly to conclude another agreement with a major U.S. oil company for offshore exploration.
- In the bauxite sector, Reynolds International, which has already made a large investment, is now contemplating a much larger investment this year.
- The government hopes, with the assistance of the British Government, to secure the services of the Commonwealth Development Corporation (CDC) to give much needed "management support" to the Guyana Electricity Corporation (GEC).

—Representatives of a U.S. company (which Hoyte did not name) are expected here early next month "to explore the possibility of equity participation in the GEC."

Hoyte also announced that major projects in the health and education sectors being funded by the Inter-American Development Bank (IDB) will either begin or gather momentum this year. These projects include the rehabilitation of the Georgetown Hospital, the country's premier health care institution, and the improvement in Guyana's other health services and facilities at an estimated cost of 43 million U.S. dollars. The projects include construction and repair of primary schools and further upgrading the school system at a cost of 52 million U.S. dollars, as well as a programme to provide resources for the country's agricultural and industrial sectors.

In reviewing 1989, Hoyte said it was a year that gave Guyanese "the first real opportunity, in more than a decade, to begin the long march back to economic buoyancy with a very good chance of success." "It tested our ability to stay resolutely on a course of economic restructuring and management that we know to be right, not withstanding its inherent difficulties....," hoyte said.

According to Hoyte, Guyanese had "set in train a process which, if properly managed, could lead to economic recovery, growth and development." He also said that the initial shocks of the social and economic adjustment process have been left behind and he believes Guyanese have come to understand that given the prevailing economic circumstances and the Guyanese peoples' desires for better conditions of life, the economic measures he had introduced were unavoidable, correct, and in their best longer term interest. In March 1989, the government had announced an austerity programme that included a 70 percent devaluation of the dollar.

Contending that "peace is an invaluable national asset" which Guyanese must continue to cherish, preserve, and defend with all the resources at their command, Hoyte said what impressed him most of all in 1989, was "the general mood of peace that prevailed everywhere." He said while the strikes and other activities which disrupted production (mainly in the key bauxite and sugar industries) in 1989 caused "a serious setback" to the country's Economic Recovery Programme, it was useless to spend time bemoaning this fact. "We have to press on. We have to do much better in 1990," the president stressed.

Government Supporters Predict 'Brighter Future'

FL0201140790 Bridgetown CANA in English
1407 GMT 1 Jan 90

[Text] Georgetown, Guyana, Dec 31, CANA— As Guyanese ushered in the decade of the 90's, government supporters were predicting a "brighter future" while opposition leader Dr Cheddi Jagan called for an end to "PNC mis-rule".

NEW NATION, official organ of the ruling People's National Congress (PNC), said in a page one comment Sunday that 1989, the year when the country's Economic Recovery Programme was launched, was "a year of mixed fortunes in the economic life of the country." "It is clear that our policies which have been subsequently endorsed by the Commonwealth Advisory Group, are beginning to bear fruit," NEW NATION added.

It said that on the minus side strikes in the sugar and bauxite industries affected production and, consequently export earnings while "on the plus side, the support group of countries, started its balance of payments support programme; government rescheduled its debt with several countries; overseas companies have invested in various sectors of the economy; and, the country has re-entered the mainstream of hemispheric politics."

Jagan, leader of the People's Progressive Party (PPP), in his New Year's message, said the Guyanese people "came a long way in 1989 to forge broad-based unity as was exemplified by the April-May resistance to the PNC-International Monetary Fund (IMF) budget." He continued: "Then, the PNC regime held on to power by its finger tips." He said he looked forward to 1990 becoming "the year of deliverance from a quarter century of PNC oppression."

"More than ever before, our prospects look brighter. But we have to work steadfastly and not dissipate our energies in useless internecine conflicts," NEW NATION said. "We have every reason to believe that Guyanese, in unity, can make next year one of tremendous achievements. Given the achievements of this year, we can face the New Year with confidence," the paper continued.

But Jagan said that as Guyanese entered the last decade of the 20th century, they should make "a mighty resolve" to end once and for all what he described as "the scourge of crooked elections, to blot out the national sufferings which resulted from stolen power" and make Guyana "democratic, proud and prosperous."

The privately owned STABROEK NEWS, in its editorial at the weekend, said that at best, Guyanese can view the year ahead "with guarded optimism" and it identified as "one major plus the government's new pragmatic attitude to economic development." The paper supported the government's divestment programme and expressed the hope that the local private sector would "play a substantial part" in this programme. It said that it was "more than time that the PPP make it clear exactly where they stand on this issue".

Speculating that 1990 could be an election year in Guyana, STABROEK NEWS which has consistently accused the PNC of rigging past national elections said, "another rigged election would be a major setback at every level... Another electoral trauma would also undoubtedly affect economic recovery." The paper continued: "1990 may therefore be another complex and testing year. Getting the economy moving will depend ultimately on the motivation of people. If they see hope and a future, they will pull their weight."